NO RECOVERY WITHOUT MONETARY REFORM

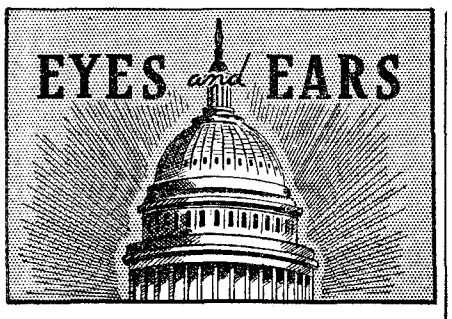
Social Justice

PUBLISHED IN THE INTEREST OF THE NATIONAL UNION FOR SOCIAL JUSTICE

PRODUCE FOR USE AT A FAIR PROFIT

VOL. I • NUMBER 9 ROYAL OAK • MICHIGAN • MAY 8, 1936 5 CENTS PER COPY

Victories in Pennsylvania Spur National Union's Fighters in Ohio



By Mark Meechan

WASHINGTON, D. C.—One of the liveliest periods during the House's discussion of the New Deal tax bill was the 30-minute speech made by Representative Arthur P. Lamneck of Ohio.

He gave the other side of the businessman's opposition to the tax law.

If what Mr. Lamneck charged is true, the real objection to the bill comes from the corporations and independent businesses which are carrying heavy debts on their books.

The law as written, it was claimed, while purporting to force the wider distribution of corporate earnings, actually makes it doubly hard for the smaller, less solidly financed industries to pay off their indebtedness. All funds laid aside for the purpose of paying off indebtedness would be taxed at the rate of 42½ per cent by the government.

Mr. Lamneck charged that the bill was a direct aid to monopoly, and that the largest and strongest industries, with widespread stockholders, really welcome this legislation as most effective measure of killing off competition.

Mr. Lamneck summed up his charges thus:

"I think I have illustrated the effect that this tax bill will have upon corporations whose financial standing is not of the best, and I daresay that this will apply to at least 75 per cent of the business institutions in this country. It will mean more receiverships than we have had at any time within our history, if for no other reason than the fact that our tax bill provides that a corporation in receivership shall pay a tax of 15 per cent, while a corporation, probably in just as bad shape, not wanting to go into receivership, would have to pay 22½ per cent or 42½ per cent, as the case may be."

◆ ◆ ◆

Perhaps the most serious aspect of the new tax legislation is Mr. Lamneck's statement that "there are not 25 members of the House who know anything about this bill." When he asked, "If you do not know about it, how are you going to vote on it intelligently?" instead of being challenged, he was applauded.

Those who come in frequent contact with members of Congress know that, under the pressure of thousands of bills presented, many members depend upon reading a digest of many bills, listen to the limited debates, and then make up their minds which way to vote.

This tax bill was composed of 248 pages. Sixteen hours were allotted by the rules committee for its debate. It is relatively certain that few Congressmen, whether more or less than 25, were sufficiently conversant with every detail of the bill to cast an intelligent vote.

Yet the bill has far-reaching implications that vitally affect the welfare of the entire nation. When a charge can be brought that a bill threatens the solvency of 75 per cent of the business institutions

(Continued on page 3)

Force Action in Congress on Farm Bill

Foes of Frazier-Lemke Bill, Double-Crossed by Machine, Hurry to Sign Petition

If the administration permits the blocking of a vote on the Frazier-Lemke farm bill, now that the required 218 signers have brought it before Congress for debate and vote, the National Union for Social Justice will part company with the administration in this campaign.

By Staff Correspondent

Washington, D. C.—Crashing through the barrier of undercover New Deal House leadership "pressure tactics," the much-abused Frazier-Lemke petition was completed Thursday afternoon, April 30th.

Effecting a surprise move, five members of Congress, in a bloc, attached their signatures, signifying their demand that the badly needed farm debt refinancing bill be given the democratic privilege of being voted upon. It all happened so fast that House leaders were caught sound asleep.

The final five were:

Congressmen Byron W. Scott (Democrat, California), Charles A. Wolverton (Republican, New Jersey), John G. Stewart (Republican, Delaware), Michael K. Reilly (Democrat, Wisconsin), and William M. Berlin (Democrat, Pennsylvania).

Final Move Dramatic

Dramatic phases of the winning thrust of the farmers attach to some of these names.

Byron W. Scott, for instance, who led the bloc movement, had removed his name from the petition about two weeks previously. It has been rumored about the Capitol that he querulously charged that he had been "put under pressure."

In a recent broadcast, Father Coughlin called the attention of the radio audience to Congressman Scott's action, and called upon him to explain publicly his change of heart. A letter requesting a complete explanation for his action was mailed to Scott's office, following the broadcast.

No answer came from the California congressman. Evidently there was no answer that could bear the light of public scrutiny. Therefore, the Congressman changed his mind again.

Berlin "Double-Crossed"

Dramatic, too, was the signing of Congressman Berlin of the 28th district of Pennsylvania. Mr. Berlin also had previously removed his name from the petition. He told the press that he had withdrawn his name at "the request of a leader whom he did not care to name."

On Tuesday, April 28th, Mr. Berlin was defeated in the Pennsylvania primaries for renomination as the Democratic Congressman from his district. On Thursday, after signing the Frazier-Lemke petition, he made it clear that he had been "double-crossed." Democratic leaders had used the WPA workers to defeat him. Taking his name from the petition had been the major cause of his defeat. He had found it didn't pay to "play ball" with those who are trying to throttle worthy legislation in a most flagrantly undemocratic and un-American manner. So he signed the Frazier-Lemke petition on the last dotted line:

"Berlin, Number 218."

Might Serve People, Now

Probably, these two Congressmen, who so obviously have seen the error of their ways, could they now be re-elected to Congress, would become unrelenting enemies of machine-dominated legislation—and therefore, valuable servants of the people.

Dramatic and inspiring, too, was the signing of Congressman John H. Stewart of Delaware. It takes courage for the congressman of the du Ponts' own district to take so bold a stand in behalf of human rights as against property rights.

Thursday was a day of signal victory for the advocates of a fair deal to the debt-ridden farmers of the nation. The real fight, however, has just begun.

Citizens who want a new insight into the trials and tribulations that

(Continued on page 8)

Nominate 12 Candidates, Unseat Two Congressmen

Victorious in Pennsylvania primaries, with less than a week's time to function as an organization, the National Union for Social Justice turns now to its first crucial test of voting power in the Ohio primaries on Tuesday, May 12.

The National Union is backing endorsed candidates in 19 districts and faces a hot battle with machine politicians in two important Cleveland districts.

Startled by the people's show of strength in the Pennsylvania election, and double-crossed by the interests for whom they made their sacrifice, a bloc of congressmen late Thursday led a stampede to sign the petition which brought the Frazier-Lemke farm bill out of the O'Connor 'gag' committee, and put it before Congress for debate and vote.

In Pennsylvania, the National Union nominated 12 of its 32 endorsed candidates; unseated two incumbent congressmen and re-nominated ten others, one of them against powerful machine opposition.

Most of the 20 endorsed candidates who failed of nomination will run as independents in the November election with organized National Union support.

◆ ◆ ◆

Philadelphia, Pa.—(By special correspondent of SOCIAL JUSTICE)—The National Union for Social Justice played a major role in selecting Pennsylvania's Congressional nominees at the state-wide primary elections on April 28th.

The National Union's principal achievement was the defeat of two incumbent congressmen and the nomination, in their places, of two candidates endorsed by the organization. In addition, the National Union helped to nominate ten other incumbents—eight Democrats and two Republicans—who were pledged to support the principles of social justice.

FR. COUGHLIN TO BROADCAST

On Sunday afternoon, May 10th, from 3 to 3:30 p. m. (Ohio time) Father Charles E. Coughlin will address the voters of Ohio and members of the National Union for Social Justice in that State, over a network arranged by the Ohio state organization. The facilities of Stations WGAR at Cleveland and WLW at Cincinnati, regular Coughlin outlets, are to be supplemented by Stations WBNX at Columbus and WSPD, Toledo.

Twelve Candidates Win

With less than a week's time to function as an organization, the National Union nominated 12 of its endorsed candidates in Pennsylvania. Of the 20 who failed of nomination, most of them will run as independents in the November election, assured of an organized support which virtually guarantees their election. Many of those who missed

(Continued on page 9)

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Powers Approach Showdown Between Nationalistic Aims

Austria May Become Next Center of World Interest as Nazis and Fascists Compete

By Justin Soval

Washington, D. C.—The time is fast approaching when the major powers of Europe will be forced by the increasing tenseness of affairs to end their temporizing diplomacy and begin to show a definite alignment, not according to the idealistic aims of the League covenant, but according to the paramount dictates of nationalism.

The events of the last two months have virtually laid the League of Nations to rest. There is no answer to the question asked by the Ethiopian delegate to the League Council: "Will the Council be satisfied in making a supreme platonic appeal for Italy's collaboration in the maintenance of peace?"

When Wolde Ayelen asked that question he knew that the League was dead. The assembled nations who heard the question and had no answer for it, knew the League was dead. Mussolini knows the League is dead and acts accordingly. So does Hitler.

Too Late for Gestures

Capt. Anthony Eden's guarded challenge that Britain might be forced to take her own means to safeguard her imperial interests was an admission that the League is dead, and signalled the emergence of a new phase of international diplomacy.

Forced action outside the gesturing of the League is imperative for several reasons.

Most important is the fact that the May meeting of the League Council, to consider further sanctions against Italy, will probably come too late for gesturing. Undoubtedly before the first of June, Italy will no longer be the aggressor; she will be the victor. Peace terms—not sanctions—will be in order.

Then Britain and France will be forced to take positive action. France can no longer spar for time by awaiting the outcome of the general elections. The elections have passed, giving little coherent idea of a mandate from the people.

Britain has delayed over-long in forcing a truly effective retaliation for the Italian invasion of the Lake Tana region. In the face of an Italian victory in Ethiopia, Britain must undertake decisive measures.

Austria Next Crisis Center

Meanwhile, Mussolini continues his grandiose appeal to his fellow Fascisti to remember the glories of ancient Rome. He forgets that there was only one Rome—but that the modern world is full of dictators. The only meaning Il Duce's appeal has to other nations is that, as Rome brought war to the world and maintained her splendor and her power by the right of military force, Fascist Italy is working itself into a state of nationalistic emotion which is a threat to the peace of the rest of the world.

Added to these hazards to peace, which are rapidly and steadily trending toward a state of crisis, come rumors telling of unrest in Austria.

For months it has been evident that Hitler has his eye on Austria. The reunion of all truly Germanic peoples is his proximate objective.

It has been the conviction of informed observers that Mussolini will never permit the Nazi-izing of Austria. The threat of a rival Caesar on his northern border is extremely repugnant to Il Duce.

Will Bear Watching

Austria already has been torn by bitter civil strife. It has long been known that secret propaganda and counter propaganda have been at work from either border. What is the dominant drive in Austria? It is too early to tell; but it is more than a probability that the country which bore in its bosom the seed of the last war will be the incubation point of new alarms.

Too grave are the interests of other powers in the destiny of Austria to admit of giving the recent unrest there between factions anything but major significance.

Recently Germany had a national holiday of her own. A memorial day for Bismarck's declaring the German protectorate over German Southwest Africa gave occasion for new assaults on the terms of the hated Versailles treaty.

More material to emotionalize the masses. Happily, the one evidence that war is remote in spite of all the major causes of war, is the difficulty war lords are having in rousing the multitudes to the fighting fervor. The sting of the lash of war is too recent in the memories of too many millions for Europe to become the emotional tinder box it was in 1914.

War lords know that one of the major elements of military morale is a high state of mass emotion. How long before they will be able to whip up their lagging nations to the combustion point?

Worst Famine in History of China Laid to Red Army

By the Foreign Editor

Chengtu, Szechwan Province, China—Reliable dispatches bring appalling news of the worst famine in the history of interior China, affecting 30 million inhabitants.

The normal population of this great territory is placed at 70 millions and heretofore the highly developed agricultural areas have been instrumental in furnishing food so abundantly that the province was called the "Paradise of China."

Authentic and confirmed reports state that dogs and cats have been eaten and even rodents are sought after by the hunger-stricken population. Tens of thousands have died from starvation or attendant illnesses. Many have committed suicide, fearing the agony of the slow death from starvation.

Reds Despoil the Land

Officials state that the present conditions are the direct result of the communist incursions during the last few years. The red army deliberately over-ran and despoiled the land in a futile effort to overcome the people. As a result, the fields are blighted and dried. Not a sheep, pig, fowl or vestige of crop can be seen. The invaders not only took or ruined these, but ate and destroyed the seed grain, dooming the surviving populace.

Many thousands of the peasants died from white clay which was converted into a soup which appeased the pangs of hunger temporarily. But the earthen soup hardened along the digestive tract with resulting death.

15 Million Have Died

Generalissimo Chiang Kai-Shek, head of the present Nationalist government, is directing the relief activities, but the province's relief agencies are hopelessly inadequate to cope with the emergency. Competent authorities have estimated that at least 15 million persons have perished and more will be counted among the toll unless all of China responds to the catastrophe.

The Red Army has struck. In its wake has followed three Horsemen of the Apocalypse: The red horse is War, the black horse is Famine, and the pale is Plague ridden by Death.

Only the White Horse of Jesus Christ, and His principles of Christianity, can conquer. In the wake of the communists follows destruction and chaos despite their high committee head propagandists who prate of efficiency. Which will the orient choose?

THE WEEK IN THE WORLD

France

Paris, France—Growth of Communist strength was shown in the recent election victories of the Leftist People's Front. Although it was not likely that they would obtain more than 320 seats, this will be enough for them to form the next government. The victory lies in the creation of a powerful minority bloc. In view of the fact that in many districts absolute majorities were not obtained on April 26, a run-off election was necessitated on May 3.... Former Premier Edouard Herriot, for the first time since he became a representative from Lyon to the Chamber in 1919, failed to gain the required majority on the first ballot. His defeat was blamed to his positive stand regarding the payment of the American war debt. It was his refusal to yield on this position which formerly cost him the premiership. . . . There has recently been completed in Paris one of the largest bomb-proof shelters in the world. In case of necessity it could shelter 8,000 people from any future air raid. The shelter used is a section of the Parisian subway, which has been converted with air-conditioning equipment, and gigantic airtight iron doors close the tunnel end. Plans are drawn for the further conversion of other sections of the subway.

◆ ◆ ◆

Ireland

Dublin, Ireland—A census of the Irish Free State is being compiled for the first time since 1926, when the official figures were 2,972,802. It is estimated that the population for 1936 will show slightly more than 3 millions, one of the few times that an increase will have been recorded. This is believed caused by the fact that emigration to all countries has been curtailed. For the last sixty years it has been customary for at least one and sometimes several members of a family to go abroad to earn a living, but this has been stopped. Since 1841 the rural districts have been depleted most severely. The towns too have diminished, with the exception of Dublin where the population had increased almost 50 per cent. Critics are keenly interested in the outcome of the present census to determine whether De Valera's "back to the land policy" has evidenced any success. . . . Another purpose of the present census-taking will be to find out the causes and present amount of employment. Enumeration of religions will also be included. While the Irish Free State is predominantly Roman Catholic, the 1926 census showed there were 164,215 Protestant Episcopalians, 32,429 Presbyterians, 10,663 Methodists, 3,686 Jews, 717 Baptists, while all others and members of no religion numbered 9,013.

◆ ◆ ◆

India

New Delhi, India—The succession of The Marquess of Linlithgow, as Viceroy of India, otherwise known as Victor Alexander John Hope, and his arrival in India was marked with mingled reactions of royal cordiality and oriental fear. He has broad authority under the new Indian constitution. England is endeavoring to consolidate the provinces of India into a federal union at the same time appeasing the Indian discontent with the creation of provincial cabinets and legislatures. But the Viceroy retains absolute powers of veto.

◆ ◆ ◆

Greece

Athens, Greece—The former minister of war, General John Metaxas, has been chosen premier of Greece to succeed Constantine Demerdjis, who died recently. General Metaxas is a strong leader, being credited with uniting the divided royalist factions in the 1935 elections which resulted in the return of King George II. The new premier was associated with King Constantine as his wartime chief of the staff. Notwithstanding his military background, he has been bitterly opposed to a change of the republic to monarchy by the usual method of the military coup. No doubt he is too much of a soldier to commercialize the force of the army to attain any political ends. This, to say the least, is something new in foreign fields and might be the basis of a virile leadership.

◆ ◆ ◆

Japan

Tokio, Japan—After nearly forty years of planning and discussion, Tokio, this metropolitan capital of Japan, is to become a seaport. The city is to be joined with Yokohama, 19 miles distant, by a ship canal. The project, it is estimated, will require about eight years and will cost approximately $15,000,000. Plans call for the construction of two parallel canals: the main channel, 30 feet deep, to accommodate ocean going vessels, and the other for small craft. The earth excavated will be utilized for a land reclamation project and a model industrial community in a suburb of Tokio. Japanese industrial leaders believe that the proposed canal will pay for itself in a short time.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Borah Wages Lone Fight for Independents

Carries His One-Man Campaign into Ohio Primary; Replies to Social Justice

The National Union for Social Justice—it cannot be too often reiterated—is not in the presidential campaign.

The young vigor of its first year in national politics is being concentrated upon the even more important office of Congressman. The endorsation of candidates for Congress who have shown themselves, either by their past record or by their public pledge, to be for the principles of social justice, is the sole activity of the National Union in the 1936 campaign.

But while giving their watchful attention and campaigning energies to the election of "right" congressmen in their districts, members of the National Union must obviously vote for somebody for president. Even while we recognize the tweedle-dum and tweedle-dee aspect of the great sham battle which the two parties stage every four years, we are not blind to the importance that does attach to any change of administration.

Old Party Lines Lost

The fiction of party platforms and party principles has resulted in the growth of a large body of independent voters. States rights is a myth.

The contemporary Democratic administration is perhaps the strongest federal power this country has ever known outside of wartime. Its Jeffersonian platform of four years ago is virtually unused. Its trade-in value on a 1936 model ought to be high.

So much for fiction. The fact is that there is little difference between the two major parties and hardly an "issue," except the New Deal, anywhere in the campaign.

The nearest approach to a campaign issue of the good old days of torchlight parades and man-sized oratory is the "money question" and both of the parties are dodging it as if by common consent.

Borah Raises Money Issue

The only candidate of either party who has approached the ticklish question is the leonine battler Borah, dean of the Senatorial sachems. Speaking at Carbondale, Illinois, on the eve of the primaries which gave him the downstate vote and ended the presidential "threat" of Col. Knox, the Idaho Senator was quoted as saying:

"The sole power to coin money and regulate the value thereof belongs to the Congress and it ought not be delegated to anybody. Congress alone should exercise this power. Such power should not be given to a privately owned and controlled institution like the Federal Reserve System."

This sounded so much like a bit of National Union philosophy that SOCIAL JUSTICE, in an open letter to Senator Borah, invited him to confirm this reported quotation. His letter of reply is printed elsewhere on this page. As a pre-convention statement, it lacks the vigor that one might look for if the candidate was safely past the nomination battle and was campaigning for honest money.

Senator Borah's answer is not sufficiently specific to deal with the present situation insofar as it deals with 1936. It would be better suited for 1913 conditions. One fears that Senator Borah, imbued with the old electioneering theories, is endeavoring to carry on a flirtation with both the pro-bankers and the anti-bankers.

Independent Voters Threat

Independent voters opposed to machine methods of the old parties remain the uncertain factor. In Wisconsin this protest became vocal in their substantial endorsement of Borah; Illinois followed, and this week the Old Guard Republicans of Ohio are trembling over a Borah threat. Indeed, so substantial has this "threat" become that political observers reported last week that William Allen White has been made the emissary of Landon to ask Borah's aid on a platform.

There has not been such a zealous primary campaign in Ohio since 1920. The independent voters are silent and refuse to indicate their preference in the primary.

Believing that there is an under swell against machine methods and an unestimated demand for rehabilitation of the party by the younger element, Senator Borah is planning a rapid campaign to stimulate these elements.

The burden of his appeal will be the restoration of the party through cleaning out Old Guard leaders and the adoption of a platform and nomination of a candidate who will be responsive to present-day trends.

"If Mr. Borah should emerge from the Ohio primaries with anything over ten delegates it would be a personal victory and would make him the most formidable single figure in the convention," says a political correspondent of the New York Times.

Predict State Victory

Ezra R. Whittle, national committeeman from Idaho, who spent some days seeing workers in Ohio, said that the Illinois victory had inflamed the "reasonable voters for Borah."

"He will surprise the opposition in Ohio on primary election day," Whittle added. "The people of Ohio are not any different than those in Illinois. There he was without organization, but by his own appeal to the electorate he carried thirteen farm districts. He will get many delegates in Ohio and sweep the rural sections.

"I am confident that he will have over 200 delegates in the convention; picking up support in every state in the East and solidly supported by the northwestern tier of states from Oregon on the Pacific to Wisconsin on the lakes.

"If he is not the nominee and if his views as to a platform are ignored the party will enter the campaign without hope."

Borah Travels Alone

The St. Louis Post Dispatch makes the observant editorial comment:

"There is something both pathetic and inspiring about Mr. Borah's race for the Republican presidential nomination. In the preliminary task of seeking delegates, we find him traveling from state to state quite alone, paying his own expenses. Not even a secretary accompanies him. Instead of private cars, he engages a lower berth; he enters cities unobtrusively; he goes not to an elaborate hotel suite but to a single room. In all this, there is an appealing simplicity.

"It is an ironic commentary on president-making in the United States that a distinguished statesman like Mr. Borah, who has rendered notable services to his party, is almost without support from party chieftains. Mr. Borah himself perhaps prefers the lone-wolf role. If the lightning should strike at Cleveland as it did 40 years ago at Chicago when Mr. Bryan swept the Democratic convention with a single brilliant speech, Mr. Borah's candidacy would be unfettered. The mountain would then have to go to Mohammed."

SENATOR BORAH REPLIES

UNITED STATES SENATE
Committee on Foreign Relations

Washington, D. C., April 25, 1936.

To the Editor of SOCIAL JUSTICE,
Royal Oak, Michigan.

Dear Sir:

I am in receipt of a copy of your issue of March 17th with its open letter addressed to me.

The quotation which is found in this issue of your publication and attributed to me as having been made at Carbondale, Illinois, is correct. I need not repeat the quotation in this letter but it is in accordance with the quotation found in your publication.

As I said in an article I wrote last month for the current issue of the Rural Progress Magazine:

"The monetary factor is unquestionably an all important one."

I was not undertaking at Carbondale to discuss the question in detail. But the quotation which you have states the fundamental principles with reference to my views on that subject.

In the debate on the bill which created the Federal Reserve System, December 12, 1913, I said, "It is the business of the government to provide a sound and sufficient volume of currency and money upon which to do the business of the country. It is a governmental power, it is one of the functions of sovereignty. The government should exercise that power itself and not depend upon the initiative of private individuals."

You may recall that I introduced the resolution passed by the National Farm organizations on this subject of money. Of course, I would not have introduced it had I not been in sympathy with it.

Very respectfully,

(Signed) WILLIAM E. BORAH.

EYES and EARS

Continued from Page 1

of the nation, that charge should be completely investigated.

Putting any large proportion of industries in jeopardy of bankruptcy is a major threat of heavy increases in unemployment. However badly the government needs new revenue, the nation cannot stand the slightest spreading of the disease of unemployment.

Sixteen hours of debate seems all too little time to spend on so voluminous a bill which touches upon the very heart of the nation's tottering prosperity.

◆ ◆ ◆

To those who believe that Congress frames the nation's laws, one of Mr. Lamneck's remarks will be arresting. As a member of the Ways and Means Committee, where the bill originated, he attended many sessions of the committee and stated on the floor of the House that "they did not know from one day to the next what the real import of the bill was."

At another point he said: "Mr. Chairman, I am told that the man who is really responsible for this bill is a man by the name of David C. Coyle. Whoever heard of him? Whose duty is it to write a tax bill? Whoever heard of Coyle? I never did."

Perhaps Mr. Lamneck, who is a Democrat, was being kind to the New Deal brain trust. Mr. Tobey of New Hampshire, a Republican, rose and told the House who Mr. Coyle is, in these words:

"The gentleman made the statement a few moments ago that David Cushman Coyle was the real author of this new tax bill, and he asked who ever heard of him. I, a Republican, have heard of him, and I will tell the House who he is. He has been one of the leading members of the brain trust of this administration for the last three years and associated with Mr. Tugwell. He is the same man who made the statement to 4,000 trained nurses in convention assembled in the Auditorium in Washington two years ago that saving for a rainy day and thrift are out of date; that saving for a rainy day only makes it rain all the harder. He is the same man who wrote a book, published last November, in which he said that what this country needs to bring it back to prosperity is to raise and spend annually $50 billion, this huge sum to be raised not by inflation but by taxation of income. In consideration of the fact that the total income of the country was only $45 billion in 1934, this statement may be cited as part of the asinine philosophy of the terrorists now advising the present administration—unsound philosophies and theories which make thoughtful men and women cry out, 'How long, O Lord, how long?"

From Mr. Tobey's description of Mr. Coyle it probably would have been better to have left the framing of a tax bill to the committee that is supposed to do that work. The bill then might at least have been briefer and more to the point. Certainly there would have been fewer paragraphs and phrases in which to hide theories dangerous to our national welfare.

◆ ◆ ◆

A number of Congressmen have been heard to express themselves as dissatisfied with the tax bill but feel themselves obligated to vote for it.

They reason that the bill, among other things, is designed to raise money for the payment of the soldiers' bonus. These Congressmen voted for the soldiers' bonus because they thought it should be paid.

They feel that a vote against the revenue measure would put them in a bad light with the veterans, as well as other folks back home.

So they have to swallow the whole bill in order to see through to completion their vote for the bonus.

Such is the freedom of members of Congress to follow the dictates of their own better judgment.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Social Justice
A WEEKLY NEWSPAPER

REV. CHAS. E. COUGHLIN
Editor-in-Chief

Published by The Social Justice Publishing Co.

May 8th, 1936 162 Volume 1, No. 9

Copyright, 1936, by The Social Justice Publishing Company, published weekly; publication and editorial office, Royal Oak, Michigan. Subscription price, United States and possessions, $2.00 per year. Unless otherwise directed, we begin all subscriptions with the current issue. Entered as second class matter, March 12, 1936, at the Post Office at Royal Oak, Michigan, under the act of March 3, 1879.

IS MONEY WEALTH?

"WHY DOES SOCIAL JUSTICE keep insisting that money is not wealth?"—a young law-student asks. "From my text-books, I find that, in the eyes of the law, currency and checks, like mortgages, notes, stocks, bonds, or bills of exchange, are all regarded as property and wealth. If I have 'money in the bank', is that not just so much wealth? When a retired manufacturer converts vast properties into dollar bills and stows them away in a safe-deposit vault, is he not still a man of wealth? What difference does it make, if a thief steals your thousand dollars in cash, or your thousand-dollar automobile? In either case, don't you lose the same amount of wealth? Separating money and wealth seems like a distinction without a difference; at all events, I fail to see what this question has to do with social reconstruction."

And still, this distinction between money and wealth, between the legal and the economic concepts of wealth, remains of momentous consequence in all matters of social discussion.

Our correspondent fails to realize that the broader social sciences, like politics and economics, deal with aspects of justice widely divergent from the subject-matter of private law.

Justice: Individual and Social

He forgets that the virtue of justice regulates two different sorts of human relations: first, the relation of society as a whole to the individual as a part; and such regulation—based on the duty of the state to insure to the individual all his God-given rights to a living wage and to equitable money control—comprises the sphere of "Distributive" or "Social" Justice.

But over the totally different relations of man to man, of one individual to another, of a part of society to another part—as in buying and selling, or the fulfilment of contractual agreements, where one surrenders something on condition of an equivalent return—throughout such reciprocal transactions, it is *"Commutative"* justice that preserves equality of rights, so that every man shall rest secure in what is properly *his own.*

Now, we cannot insist too emphatically that it is with this *commutative,* and not with *social,* justice that the law-books are concerned. To maintain commutative justice, in the business dealings of man with man, that involve the interchange of private possessions, it is a convenient legal fiction to regard material wealth and paper titles-to-wealth as one and the same thing.

But among all the social tragedies of our time, few calamities have entailed consequences more disastrous than the failure of the legal mind to look beyond the affairs of individual men, and to study the functions of "money" and "wealth" in the world-wide arena of society as a whole.

Wealth—Means of Subsistence

Upon the philosophic statesman, upon the true economist, upon the authentic social scientist whose all-engrossing concern embraces the wider and more enduring welfare of the human race, devolves the indefeasible duty of effecting such social arrangements as shall insure to every man a sufficiency of the material means of subsistence. If man's body is to serve his immortal soul, that body must have food, clothing and shelter: concrete, material things to eat, to wear, to use and enjoy. And such things, and such things only, the civilized thought of mankind has agreed to call "wealth"—economic wealth. Now save for the trifling trinket-use of the money-metals for personal adornment, no form of money—coin, currency or checks—constitutes in any way our means of subsistence. Money as such, you cannot eat or wear or otherwise enjoy: money, therefore, is not wealth.

But why labor a point apparently so puerile, so patent and obvious that its repetition threatens boredom unto distraction? Simply because this failure to distinguish money from wealth cloaks and obscures the deepest, most far-reaching cause of all the world's woe today. Money is NOT wealth. That fact, if you really *feel* its force, becomes the acid-test of your knowledge of Economics.

Ours is an age of superabundance. The world is bursting with wealth today. More than a century of science and invention has multiplied prodigiously our wealth-producing power: labor-saving machinery, the hydro-electric turbine, mass-production, miraculously improved communication and transportation.

But the golden age such productive progress should have insured, has long since ceased to haunt even our rosiest dreams. Amid the boundless bounty of the Creator, enhanced a hundred-fold by the brain and brawn of man, everywhere stalk want, material privation, the acute distress of hunger and destitution. For seven long, lean years, the human race, though surrounded by inexhaustible plenty, has been plunged into the direst depression that history has ever recorded.

Why? Because, to transfer this wondrous wealth from producer to consumer, the world has no medium of exchange. It has no MONEY to spend. Its stock of purchasing-power has been arbitrarily and artificially destroyed.

Means of Confiscating Wealth

Money is created by bankers *out of nothing.* It is lent into existence as an interest-bearing *debt.* You personally pay a tax on every cent in circulation. But *wealth* is created by human toil expended on the soil, or upon resources and raw materials that labor has painfully wrung from the reluctant soil. Money is no longer even a medium of exchange. By calling the loans out of which it was born, bankers make *money* a medium for confiscating the real property and real *wealth* pledged for these loans.

In 1929, before the bankers' bubble burst, our people had sixty billions in money, in purchasing power. A few weeks later, though the quantity of wealth, and of economic goods still available for sale and consumption, remained undiminished, the nation's stock of money suddenly shrank to 30 billions—wantonly cut in two overnight. *As much wealth as ever still existed:* but some sinister and abhorrent force had, before we knew it, bereft us of purchasing power. There you see the essence of depression: so far from proving synonymous with wealth, our privately mismanaged money has become a barrier, every day more formidable and forbidding, between the pitiful necessities of the worker and the constantly increasing volume of the world's wealth.

◆ ◆ ◆

Taxation Without Regurgitation

IN THE sham-battles of the coming campaign, the major issues will be drawn—so all the political dopesters are predicting—from taxation and unemployment. Both issues are but symptoms, mere surface manifestations of grave internal disorders in the body economic. But neither party will have the courage to cut out the cause—the private control of money that precipitated the depression.

That obvious and all-pervading source of political infection will be eliminated only when the enlightened indignation of an outraged citizenry rises to demand this monetary reform—which no entrenched politician will ever dare espouse except under pressure of irresistible compulsion.

Meanwhile, under the crack of the administration whip, Congress is debating the president's projects of taxation. Let us let in the light, more light! To members of the National Union, we commend the renewed perusal of Father Coughlin's exposure of this tax-bill in SOCIAL JUSTICE for April 10.

That analysis flings wide unsuspected doors to political education. Study there the new methods of "taxation without regurgitation": how the giant corporations will, in the language of the day, be taxed without having to "cough up", or pay out of their own resources; how the food-processors will pass on to the consumer their tax of half a billion; and how the surpluses of the great industrialists, before the tax-gatherer can get around to collect the allotted $800-million, will be invested in tax-exempt bonds and, by this boost to the now declining market in government securities, save many millions for those tax-dodging money-changers who have themselves preferred to overinvest their fabulous surpluses in these same tax-exempt bonds, rather than supply credit—"the very soul and life-blood of the entire economic body"—to the smaller merchant and manufacturer and thus enable business in general to break the back of the depression, and end, at last, the national scourge of unemployment.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Strike-Breakers Bargain Collectively

Industry, Which Pays an Annual Living Wage to Spies, Meets and Arms Foes of Labor

By the Labor Editor

LAST week the columns of SOCIAL JUSTICE carried the news that "Industry Pays an Annual Living Wage—to Spies".

The revelations of the sub-committee of the Committee on Education and Labor of the United States Senate disclose collective bargaining as well as the payment of an annual living wage.

Industry not only knows the principle of the annual living wage but for years it has known and practiced another great principle—that of collective bargaining with labor. Since industrial strife has marked the history of labor relations in America, and for a period of more than 50 years, the leading American industrialists have been ready and willing to recognize the principle of collective bargaining whenever the strike-breaker is called upon to do his nefarious work.

Strike Breaking Well Paid

Pinkerton, Burns, Thiel, Baldwin & Felts, and above all Bergoff and Waddell, have been the chosen representatives of one group who have bargained successfully with industry whenever the occasion arose. Bergoff, the outstanding strike-breaker of our industrial history, is reputed to have been so successful that the three partners of that concern have taken in salaries and in dividends in a period of 18 years over $10-million.

How is this business carried on? The steps are better understood when the testimony of the LaFollette sub-committee is read. Normally the great industrialist maintains within his plant his own system of espionage. Frequently he hires the private detective agency to carry on this system of espionage within the ranks of his workers. Lately the growth of the Manufacturers' Association, organized on state lines, provides the machinery for joint effort of all manufacturers in such espionage work. The service of any and all of these mediums are available to report the activities of workers in respect to labor movement. This is pure espionage.

But further than this, men are hired whose sole duty it is to spread dissension and discord in the ranks of labor, to promote their own political fortunes so that in places of trust they may the more readily betray labor and serve the interests of their industrial employers.

Bargain With Hoodlums

If their activities are ineffective and if a strike occurs then the manufacturer is forced to face with the principles at stake. In one instance it is an increased wage demanded; in another it is hours of labor; in a third it may be the right to bargain collectively.

In the battle against the industrialist immediately pays the living wage and invariably bargains collectively with the strike-breaker.

Labor must know that the strike-breakers do not represent men comparable in any sense with the workers of the nation. They are nearly one hundred per cent recruited from the underworld and the criminal class. In most instances they have been years without an honest day's work. They are available at the high wages paid to them during the strike and then they return to the ranks of idleness awaiting another summons. While they work their typical wage is $12, $15 or $18 a day. They are simply the scum and dregs of humanity who gladly come forth from their cellars to defeat the aims of organized labor. The nickname "scab" was long ago applied to them, it is as perfect a word as could be designed by the foremost master of the English language, for if there is dead and putrid tissue covering the sores of our social and industrial life it is this group that arises out of the underworld, that bargains with American industry to defeat the claims of honest labor for social justice.

Fortunately the situation is one easy of handling if there were good will on the part of the legislature.

Have Crime Records

Labor could afford to concede the right of even the strike-breaker to work if labor merely insisted that strike-breaking activities, necessitating the importation of large numbers of workers, must carry with it the requirement that these men on arrival be finger-printed and copies of these finger-prints sent to the Department of Justice in Washington, D. C. The past criminal records of the strike-breakers would be enough to smash to smithereens the personnel of every strike-breaking organization in America.

The point is, of course, that the National Union for Social Justice is battling against tremendous odds for the right of labor to a just, annual and living wage. Industry has been shown to have a willingness to pay this wage to spies. This wage is attainable only through the right of collective bargaining by labor's own choosing.

Industry for fifty years has recognized the principle of collective bargaining whenever it has hired strike-breakers.

The two principles then—of collective bargaining and the living wage — are recognized but only when they are applicable to the espionage systems and the strike-breaking organizations of labor relations.

The right to bargain collectively and the right to a living wage is enjoyed only by those who must be rejected by every decent and respectable human being the length and breadth of America.

Munitions Firm Lends Aid

Prominent in the LaFollette investigation is the detailed testimony of those whose intimate knowledge of labor relations extends over the years. It includes two seemingly distinct and separate corporations, the Federal Laboratories, Inc., of Pittsburgh, and the Railway Audit and Inspection Company with offices in many of the leading cities of the country. An inspection of their personnel shows interlocking directorates. An examination of their offices shows, for example, that in New Orleans a candidate for a job is ushered in from a reception room, labeled "Railway Audit and Inspection," only to find that his conference takes place in another room, the door of which is labeled "Federal Laboratories." As disclosed last week, the one is an espionage organization and the other a munitions manufacturer. Both serve the industrialist with the same aims and object in view and that is to defeat labor at any stage of its industrial relations.

When the spies have failed to desseminate that discord which prevents unified action in the form of a strike, then it is time for the industrialist to call upon the Federal Laboratories for the plant munitions and to call in the strike-breakers.

Through a factory equipped with Thompson machine guns, Smith & Wesson revolvers, tear and vomit gas; with the thugs and the underworld hoodlums hired through a private system of collective bargaining, industry then settles down for a quiet warfare against labor with the strike the weapon of the laborer and the lockout the weapon of the industrialist.

Strikes Costly to All

How important are strikes and lockouts in the labor history of this country? The following statistical tables cover the year, the number of strikes and the number of men directly employed, together with the days of work lost and an estimate of the wages lost to labor:

Year	*Number of Strikes*	*Number of Men*
1919	3,571	4,160,000
1920	3,391	1,463,000
1921	2,381	1,099,000
1922	1,088	1,612,000
1923	1,553	756,000
1924	1,240	654,000
1925	1,300	728,000
1926	1,032	329,000
1927	734	349,000
1928	629	357,000
1929	903	230,000
1930	653	158,000
1931	894	279,000
1932	808	242,000
1933	1,562	812,000
1934	1,568	1,353,000

Year	*Days Lost*	*Wages Lost*
1927	37,799,000 at $5 day..	$188,995,000
1928	31,556,000 at $5 day..	157,780,000
1929	9,975,000 at $5 day..	49,875,000
1930	2,730,000 at $5 day..	13,650,000
1931	6,386,000 at $5 day..	31,930,000
1932	6,462,000 at $5 day..	32,310,000
1933	14,818,000 at $5 day..	74,090,000
1934	19,308,000 at $5 day..	96,540,000
		$645,170,000

Now let us analyse these figures. Superficially we seemingly see that progress has been made during the last fifteen years in reducing the number of strikes and lockouts. Certainly the table is evidence that the number of men involved in these labor disputes rose as high as four million in the single year of 1919 and appeared as only 242,000 in 1932—at the depth of the depression.

$80-Million Loss

If we are to assume an arbitrary wage of $5 a day we may likewise note that for the period since 1927, when the Labor Department first furnished statistics as to the number of days of idleness, there is an average loss of 80-million on the part of labor.

It is a peculiar coincidence that this $80-million which labor loses because of strikes and lockouts is almost the precise figure that industry pays to the 40,000 spies alleged to be placed by industry among the ranks of the laborers of the country.

The chief work of the spies is to prevent strikes, and $80-million, it is testified, is paid for such prevention within the larger industries. But over and above this figure are millions and millions paid to the strike-breakers called in to defeat labor virtually by force of arms. Another million of dollars are certainly to be calculated in industry's loss of production and the ill-will that must be borne out of labor's disputes.

A study of the Labor Department's records of industrial disputes since 1919 reveals that wherever labor is highly organized it carries on its program for better wages, more reasonable hours and better working conditions even to the point of the strike.

Machine Lines Heaviest

An analysis of these labor statistics from the studies of the Department of Labor shows in the following table the recurrence of strikes between 1919 and 1934, arranged by industry in descending numerical order:

Strikes by Industry

Building Trade	4,158
Clothing	3,570
Textile	2,184
Metal	1,980
Coal Mining	1,665
Printing and Publishing	1,058
Transportation	625
Furniture	519
Leather	272
Stone	253
Slaughter and Packing	246
Tobacco	225
Lumber	223
Paper	222
Iron and Steel	219
Shipping	194
Other Mining	69

Fourteen million out of the 48 millions gainfully employed in 1930 were engaged in manufacturing and in the mechanical industries. Industries disputes center among these 14 million workers.

In a single year the nation has witnessed ten per cent on strike or locked out of the factories.

A representative of a giant corporation boasted the other day that organized labor never got a foothold in any American industry employing over 5,000 persons. This statement is not true but it is true that organized labor has made its least progress among the giant manufacturers whose use of spies and company unions has successfully defeated labor's aims.

Until such abuses on the part of capital as the spies or espionage system are eliminated, the Wagner-Connery Labor Disputes Act or the National Labor Relations Act will be ineffectual until amended.

The right to bargain collectively by representatives of their own choosing is an inherent right of the workers of America. That right is now defined by law. It is abridged whenever the industrialist sends his spy into the ranks of unionized labor. It is further abridged whenever the industrialist pays an annual living wage to the spies among labor's ranks and it is still further abridged whenever the industrialist calls in the underworld thugs to break strikes.

Foes of Labor Armed

Not content with all these methods there is coming to be a state within the state. It is giant industry waging a private and class war against labor by equipping itself from such concerns as the Federal Laboratories, Inc., of Pittsburgh with the munitions of war, together with arms and ammunition, tear bombs and vomit bombs, Thompson machine guns and Smith and Wesson revolvers.

There is only one power that should be effectual in a strike and that is the power of the State. That power should be used to preserve order. That power should be used on the side of labor and not on the side of industry. That power should be used to support the decisions of the National Labor Rela-

(Continued on page 9)

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

America's Youth

Keep Our Schools American --- and Free

Youth, Watchful of Controlled Education, Is Wary of Copeland Bill Now Before Congress

CONGRESS this week is considering the Copeland Bill, which would establish a joint Congressional committee with investigative powers on matters affecting education, welfare and law. We agree emphatically with Dr. George Johnson, who called the bill "An entering wedge toward government control of education."

From time to time in the history of this country there has been agitation for federal control of the schools, and at the present time Mrs. Franklin D. Roosevelt herself is campaigning for the establishment of government control under a special department of education, headed by a Cabinet Secretary who would be responsible only to the president.

Dr. Johnson holds that a Secretary of Education would "seek to enhance his department by including all allied activities such as education by radio, public forums, youth movements and the like."

End of Freedom

We are unalterably opposed to Federal control of education!

It will mean the end of freedom for educators to experiment and carry out independent theories which have brought us educational progress in the past. It will mean the end of scholastic criticism of false governmental policies; it will mean the stifling of opinion and the end of truth. We shall be more than ever the victims of propaganda.

Freedom of thought and action in the schools is as American as the Constitution. Any federal control of educational practices will mean that government opinions, whether right or wrong, will be forced down our throats, and propaganda will reign supreme.

The field of political history, for example, would become a mere litany of what the government considers good for us to know. Military history would be clouded by the opinions of Congressmen who never saw a battlefield, and the causes of war itself would be shrouded to protect those who make war. The field of economics would become a stereotyped gospel of error, full of the redundant mouthings of economists whom progress has passed by.

Cradle of Democracy

Scholastic freedom was responsible for our republican form of government, for advanced theories of economic thought, for progress in literature and the arts. Freedom of religious thought would not long remain under a dictatorship. Experiments like the co-operative buying associations, and the teaching of Social Justice itself found their beginnings in schools free of any restraint save conscience. Withdrawal of that right is oppression, and leads inevitably to bloodshed, as witness the student uprisings in Spain and Mexico. Any governmental control of education smacks of regimentation of thought and eventual dictatorship.

This Deadened Offering

At the street corner, in an aimless group
Slouching with hands in pockets, listlessly
Staring with unlit eyes and dull, blank faces
At flying traffic and brisk passersby,
They stood, young unemployed; shoulders adroop
Slack bodies, lacking all youth's comely graces.
A dreary burden, time, who might have been
A friend. So drifted helpless and pitiable
This deadened offering, spurned by the machine.

—*G. K.'s Weekly.*

Youth Approves Longer Schooling

President Roosevelt's suggestion of a lengthened period of education for young people, to prevent clogging of the labor market, meets with our approval. Educators all over the country, we note, are considering additions to the primary cultural and technical courses now offered. We feel, therefore, the suggestions listed below are pertinent and necessary:

1. Educators should consider courses offering a thorough training in governmental duties and powers. We feel the average "Civics Course" does not go far enough, and that the why and wherefore of various government departments should be explained. For example, the Department of Agriculture, the name of its secretary, its duties and relation to the farmer; and similarly for Commerce, etc. The theory and practice of government, rather than its mere structure, should be the basis of study.
2. Seminars (open-forum discussions) should be encouraged on matters affecting the public interest; principles of common law, economics, international relations not made clear in history classes, peace, labor and social conditions, tax problems, and entertainment.
3. Informal courses in local government; state, county, and city; discussing especially the relative advantages of the common council, aldermanic and commissioner types. The names and duties of all public officials should be made familiar to students.
4. We especially recommend the teaching of hobbies for proper enjoyment of leisure time. Special consideration of public entertainment might be made.
5. A short course on the proper method of approach for job-seekers would be helpful for many students.

Generally speaking, these are studies ordinarily available only to college students. There is no reason why they should not be made available for all if the president's proposal be followed.

Incidentally, an occasional appeal to the Almighty for aid and guidance might not be found amiss in a scholastic world where atheism is all too common.

An Answer to R. B. H.

In its column "Verse and Reverse" the Tri-County Advertiser of North Lewisburg, Ohio, has the following response to a letter on this page.

"A college student, R. B. H., of Evanston, Ill., asks SOCIAL JUSTICE several questions, among them: 'What are the real and outstanding issues of the impending national election?'

"That,
My dear R. B. H.,
Is easily answered.
As matters stand,
There really is
But one issue.
It is this:
Whether we, the voters,
Shall elect Democrats
Machine pledged
To support
International bankers
And special privilege,
Or elect Republicans
Machine pledged
To support
Special privilege
And international bankers.
It is too bad,
R. B. H.,
That the illusions
You have absorbed
During your school years
On the subject
Of political economy
Must be shattered.
You have been taught
The idealistic side
Of our government,
Not the stark reality
Of a hydra-headed
Political machine
That each four years
Enters the arena
To stage a shallow show.
Remember this:
The fault is ours,
The remedy is yours.
We oldsters
Have been trained
By political Fagans
To 'vote 'er straight'.
You boys and girls
Of a younger
And (we hope)
Less gullible generation
Will vote as individuals
And not as sheep.
When this is done
Americanism once more
Will prove its superiority
To any other ism;
The Constitution
Will care for itself
And all will be well.

—Luke."

Study Money Is Challenge

We promised in the first issue of this page to be definitely crusading and challenging. We challenge any youth of ordinary intelligence to read Father Coughlin's book 'Money' and not know that he is better informed on a problem which affects him vitally.

The book is in question and answer form and we cite this one:

"Why does this violation of constitutional law to coin and regulate the value of money continue?"

"Because every time a Franklin, a Jefferson, a Jackson, or a Lincoln or any other honest public servant attempted to arouse the people to the fraud from which they suffer, the private money creators—international bankers—arose in their might and used their controlled press, their bootlick politicians, their office boy bankers, their docile clergymen, and their power over the prosperity of America, to smash the drive for economic freedom. Thus far they have succeeded."

And to you young people who sit in mortgaged homes and on mortgaged farms we recommend this question and answer:

"Under our present private moneycreating system, what do the bankers get for nothing?"

"They get interest on the money they create and lend, and title to people's properties by confiscation of properties pledged, if the loans are not repaid at a specific time."

There's a big challenge in those two questions. If young America could catch the challenge they might wring from the money barons of the world a victory greater than the one won at Runnymede from King John. Youth of America—there is joy in battle for justice.

◆ ◆ ◆

Exit the Peace Strikes

Only 257 students in a high school population of 254,000 in New York city, where the movement had its birth, responded to the invitation of the American Student Union to "make a dress rehearsal of what we intend to do if another war comes."

Groups elsewhere took the Oxford oath never to defend America in any war even a war of invasion.

The Veterans of Future Wars lent a humorous touch to the 22nd of April's maskings and exhibitionism.

But the New York Herald Tribune moralizing in its editorial columns crystallized the enduring reaction of the student peace strikes when it wrote: "It is easy to whip up a great fervor of emotion against war, but to take practical steps against it is another and much harder affair."

And so it is with all of youth's problems, war, unemployment, credit, money, economic opportunities. To find the practical steps requires study, discussion, trial and error.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NATIONAL UNION NEWS

New Interest in Attendance at the Meetings

MOST encouraging have been recent reports regarding increased attendance at local unit meetings.

When the National Union for Social Justice began its policy of organizing into small divided groups last December, thousands were willing to place their signatures on our roster, but they were alarmingly apathetic when it came to active cooperation.

Now — after slightly more than four months—it is a pleasure to announce that much of this past lethargy has been dispelled, and that our citizens are gradually but surely becoming aware that the National Union is gaining daily in prominence and power, and that it will soon be a force to be dealt with by organized proponents of our present economic order.

Gain in Interest

If our record to date is any basis upon which to judge the future, we are truly justified in assuming this optimistic attitude, especially in view of the fact that our early meetings were somewhat uninteresting and that they are just beginning to gain in importance. As we enter into the thick of the battle, there is every indication that no urging will be required to encourage the regular attendance of members at the meetings of their respective units.

The radio broadcasts and SOCIAL JUSTICE have done their parts so far as informing the people of existing conditions is concerned. They, in turn, are becoming more and more willing to unite in a movement such as ours, for they fully realize the need for concerted action.

Therefore, to all those unit presidents who are still dissatisfied with the turnout of members at their regular meetings, we suggest that they be not over-concerned, as this problem will correct itself.

Call on Absentees

In many cases, according to the correspondence received from various states where the National Union for Social Justice has been organized, the question of inactive members has arisen.

Unit presidents have asked that they be allowed to withdraw the names of members who have not been coming to the meetings or showing the least interest in furthering the purposes of the National Union.

May we suggest that the officers of these particular units call on the absentee members, whose names may be given them by the secretary of the unit, and urge them to be present at these meetings. Many times the individuals themselves do not realize the opportunity which they are passing up.

It might also be a good suggestion to elect a committee to call on such members if the officers are otherwise occupied. The members of this committee might also take it upon themselves to ascertain whether or not each member of the unit is eligible to vote.

LOCAL 'POLITICS' BARRED

From every congressional district reports are coming to our central office to the effect that local politicians, together with certain political machines, are beginning to infiltrate the National Union.

Time and again it has been made plain that the National Union is a democratic organization called into existence to free the people from the domination of politicians. It is here repeated that at no local unit meetings should any individual attending that meeting address the gathering in favor of any politician, any individual or on any subject foreign to the sixteen points of social justice. Local unit meetings are called for the purpose of studying the principles of social justice. As worthy as any other cause may be, no other subject should be introduced at these gatherings. More than that, it is not in keeping with the spirit of this organization to abuse the meetings with propaganda of any nature whatsoever.

It will be the duty of all local secretaries to report specifically the subjects which come up for discussion at any local unit meeting and to note carefully the names of the members who introduce these subjects. The local unit secretary must regard himself or herself as the direct contact with the central office. Therefore, the minutes of each meeting form an important factor in maintaining order throughout the entire National Union.

STATE OF WISCONSIN

National State Supervisor for Wisconsin, Mr. Edward A. Quinn, 5626 Sixth Avenue, Kenosha, will announce through his district deputy supervisors where the new congressional district meetings will take place on May 10th. At that time it is our earnest wish that all co-operate to elect congressional district officers who whole-heartedly support the National Union for Social Justice.

How Well Do You Know Your Social Justice?

Every week in this column there will appear a brief explanation of one of the sixteen principles of the National Union for Social Justice.

(1) I believe in liberty of conscience and liberty of education, not permitting the state to dictate either my worship to my God or my chosen avocation in life.

The first principle was based on a part of the Declaration of Independence which states, *"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are Life, Liberty and the Pursuit of Happiness."*

The Constitution of the United States says *"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."* And again, *"Congress shall make no law abridging the freedom of speech, or of the press or the right of the people peaceably to assemble and to petition the government for a redress of grievances."*

There are several insidious influences in existence today that are trying to prevent the people from enjoying these rights. For example, the Smith Bill: This bill was written purposely to prevent organizations such as the National Union from reaching their goals.

Freedom of the press has been nullified by the commercial and political interests who have taken complete control of your daily papers. They are no longer allowed to print what they firmly believe to be true and what they feel the rest of the world is entitled to know, but rather every word in a newspaper is carefully censored before that paper goes to press.

Pressure is also being placed on radio speakers who try to bring before the public the true facts as they exist today. Every effort is being utilized to keep these persons off the air.

The invasion of our schools by subversive propaganda is another peril.

This is but a brief outline of the known facts that we have to work against before we can be certain of keeping free the liberty of conscience and education of the American people!

◆ ◆ ◆

Social Activities

Now that the units have become more firmly established and the members well acquainted with one another, a spirit of enthusiasm and activity has become a major part of their unit meetings.

The social activities which were originally held by only a few units were so successful that now, not a few, but all the units, are giving beanos, dances, etc., and all meeting with the greatest of success.

It is more than evident that the members of the National Union are becoming so interested and sincere in their participation of every phase of our organization, that we will soon come to the apex of strength and power that is needed by any organization to achieve the objectives or principles for which it is striving.

CONNECTICUT

On April 16 a National State Supervisor for Connecticut was appointed, namely, Mr. John L. Coppinger, 273 Chatham Street, New Haven, Connecticut. Mr. Coppinger is a graduate of Georgetown University Law School, a recognized parliamentarian and a man who has devoted his full time to the organization and development of the National Union for Social Justice in the Third Congressional District.

QUESTIONS AND ANSWERS

Endorse Senators Too

There is a great deal of discussion regarding endorsations for the House of Representatives. What about the Senate? Is not the National Union contemplating endorsations for the Senate? —F. W., Ohio.

The National Union most certainly is going to make endorsations for the Senate. Perhaps you have forgotten, however, that Senators are elected for a period of six years. Elections are timed so that approximately one-third of the Senate is elected every two years. Therefore in only one-third of the states is the National Union contemplating endorsations for this branch of Congress. Your state does not elect its Senators this fall.

◆ ◆ ◆

National Union Speakers

I have heard that speakers for the National Union meetings are to be furnished through the Central Office. Please tell me if this is true and, if so, what procedure is necessary to secure the services of one for our monthly meetings?

As soon as the state offices have been established, which will be in the near future, a Speakers' Bureau will be set up in each state to take over the responsibility of supplying speakers of high caliber for the monthly meetings of those local units which wish to take advantage of this service. Until that time, all such matters should be referred to the State Supervisor.

◆ ◆ ◆

District Executive Committee

What are the duties of the executive committeemen of each Congressional district, referred to in the April Presidents' Letter?

These executive committeemen, seven in number in each Congressional district, are authorized to act in an advisory capacity to the officers of the district. Any further duties or privileges which may be accorded them will be designated by the National Board of Trustees at a later date.

◆ ◆ ◆

Discharging Officers

What is the proper procedure to follow to discharge a unit officer who is either not capable or not interested enough to fulfill the duties of his office?

The unit members should draw up a petition which will be signed by as many of their unit members as possible. In turn, this petition should be placed in the hands of the congressional district president who will take the necessary steps to obtain the resignation of the unsatisfactory officer.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

State Offices Opened by National Union

Capable Staff Man Various Headquarters to Direct Organization Activities

Inspirited by the strength shown by the National Union in the Pennsylvania primaries—and the unexpected result of having forced Congress to act upon the Frazier-Lemke farm bill—Ohio units went into their primary battle this week girded for the first severe test of the national organization. As goes Ohio, so goes the National Union, as well as the nation itself most probably.

Whereas the Pennsylvania membership had less than a week to function in an organized fashion, Ohio—the mother of presidents and no tyro in political combat—goes into the contest with battle lines tightly drawn. Endorsed candidates (listed in SOCIAL JUSTICE on May 1st) have been entered in 19 districts, and in most cases candidates have been endorsed in both parties for the primary.

State headquarters for the National Union in Ohio have been opened in the Public Square Building, under the direction of State Supervisor Sylvester V. McMahon, national secretary. This building is situated on Cleveland's public square. The suite of offices will house, in addition to state activities, the offices of three Cleveland districts—the twentieth, twenty-first and twenty-second congressional districts. The combined headquarters will be manned by a capable staff and will furnish suitable and convenient facilities for all activities of the year. These will include playing host to the national convention of the National Union for Social Justice, and the conduct of three district campaigns.

Pennsylvania Jubilant

Pennsylvania offices of the National Union were opened Monday at 508 Liberty Trust Building, in Philadelphia. J. A. Robbins is state supervisor. The primary victory of 12 endorsees and the close margin by which others were defeated has given the Pennsylvania organization renewed enthusiasm.

Reporting on the primary election, the Philadelphia Record said:

"One of the completest surprises here was the amazing strength displayed by the followers of the National Union for Social Justice."

Confusion created by the resignation of the former New Jersey state manager, David Allen, followed by the announcement of his candidacy for Senator, has not been improved by the general puzzlement of the press of the state on Allen's status. A clear statement of the National Union's position is printed on page 9 of this edition of SOCIAL JUSTICE.

State offices have been established in Trenton by Edward J. Inglesby of Camden, the new state supervisor.

New York Organizing

Congressional district election meetings in the city of New York have been deferred by State Supervisor John P. Bramer, following conferences with the central office and the National executive board. The primaries in New York state are held in September and postpone meeting of the district election meetings will enable units now in process of formation to complete their organizations, elect officers and name properly qualified delegates for the district assemblies.

Mr. Bramer intends to preside at each meeting in order to promote great harmony and efficiency. Mr. Bramer also announced that negotiations are being carried on at present for office space large enough to accommodate the 26 congressional districts in the metropolitan area. In the meantime the supervisor is holding meetings of unit presidents nightly, at which the financial structure of the National Union is being outlined.

Connecticut State Library

State offices for Connecticut have been established at 700 and 701 Malley Building, 902 Chapel Street, New Haven, by State Supervisor John L. Coppinger. All Congressional districts in the state have been organized, a library is being collected for the state office and an authorized speakers' bureau is being instructed for addressing units.

The pledge system has been received enthusiastically by those to whom it has been explained and by the time this issue of SOCIAL JUSTICE is distributed all districts in the state will have been contacted in regard to the financial set-up.

"Energetic efforts on the part of the units already established toward further organization is under way, under direction of the state office," Supervisor Coppinger reports. He adds, "The National Union can depend upon Connecticut to do its part towards putting over Social Justice!"

Rhode Island Office

Rhode Island has opened a state office, which will accommodate all district officers, at 106 North Main Street, Providence. The organization work in Rhode Island is progressing rapidly and congressional district conventions are to be held within the next five or six weeks.

It is urged that all units officers make contact with the state supervisor as soon as possible. This is necessary for the purpose of receiving instructions for the convention. A complete list of members of all units should be sent to the state office at Providence immediately. Chester L. Carpenter is national state supervisor for Rhode Island.

Baltimore Quarters Spacious

Spacious state headquarters for Maryland were opened at 3 North Calvert street in Baltimore on May 4th. Wide publicity was given anent the opening as well as the purpose of the organization. The quarters provide for a private office for State Supervisor John J. O'Connor, Jr., two deputies, four district presidents and office manager.

An assembly hall with capacity for 150 is included in the state office layout.

Force Action in Congress on Frazier-Lemke Farm Bill

Continued from Page 1

must be borne by those who advocate legislation not approved by those who rule, should watch closely the parliamentary struggle that the Frazier-Lemke bill probably will be dragged through.

Battle Just Beginning

The important steps are the following:

The completed petition was immediately placed upon the House calendar of regular business. Seven "legislative days" must elapse before it has to be taken up by the House. Then it can be considered on the second or fourth Monday of the month.

A legislative day is completed when the House adjourns. Should they recess from day to day, it might require any number of actual days in session to complete a legislative day." Thus, the House could prevent any consideration of the Frazier-Lemke bill by recessing each day until the final adjournment.

That probably will not be done, however. The House leadership has gone on record that the Frazier-Lemke bill will be considered. Such parliamentary technicalities as recessing, instead of adjourning, to defeat a piece of legislation is generally not used against a bill that has the widespread public support that this bill has.

But there are other and more direct ways of side-tracking the Frazier-Lemke bill.

"There Are Other Ways"

Under the rules of the House, the petition may come up for consideration on May 11, the second Monday of May. Then the House will be compelled to vote on the question of discharging the Rules Committee from further consideration of the Frazier-Lemke bill.

If they vote against discharging the committee, the fight for the passage of this bill ends forthwith.

If they vote to discharge the committee, then they are called upon to debate for one hour and vote upon House Resolution 123, filed by Mr. Lemke over a year ago. This provides a rule for the debate and consideration of the Frazier-Lemke bill.

That resolution may be voted down, leaving the bill without a rule for consideration. In other words, the House can defeat the bill indirectly by refusing to give it a rule.

House Resolution 123 provides for six hours of debate, to be equally divided between friends of the bill and opponents of the measure.

It can be so amended, however, that all the time for debate is under control of opponents to the bill. That would permit "amending the bill to death" without its advocates ever having a fair chance to get their arguments into the Record for public scrutiny.

People's Government Stake

In other words, after five years of effort to get the bill before the House, Mr. Lemke and his associates still have to run a harrowing gauntlet of parliamentary tortures to carry their fight to a successful issue.

The American people should follow closely the fortunes of this bill as it goes through the legislative mill. They will be enabled to learn more than they have ever before had the opportunity to learn about the devious ways of our lawmakers.

Those New Deal leaders in the House who have been so bold in the past to try to smother this constructive legislation, probably will use whatever means they can to see that it is either defeated or "amended to death."

At any rate, it promises to be an interesting and educating battle. The eyes of the nation should follow its ebb and flow.

Lemke Sounds Warning

That Mr. Lemke has no delusions as to its outcome is indicated by the following statement that he made on the Thursday of initial victory:

"The struggle for the Frazier-Lemke bill is not over. We must not overlook the fact that the enemy is resourceful and that the majority leaders of the House are opposed to the bill. In taking names off the petition they often claimed that they represented the president. The president has denied that, but that has not stopped them from re-asserting the claim again and again. Therefore, I appeal to every patriotic man and woman who believes in saving the homes of two million farm families, who believes that agriculture is the basic industry of their nation, to write to their Congressmen urging them to support the Frazier-Lemke Refinancing Bill first, last and all the time.

"An attempt will be made to amend this bill so that it will be of little use. Such an attempt can only be stopped if the public is thoroughly aroused and watching. The system here is well adapted for boss and Wall Street control. They are clever in passing a bill with a wonderful title, but when you read the body of the bill it is just Alice-in-Dreamland, not knowing what is real and what is make believe.

"Let me repeat that THIS bill will save the homes of two million farm families and 10 million men, women and children. It will add to the wealth of this nation, and no one will be hurt—not even the coupon clippers—if they only had sense enough to understand that agriculture must be saved or their own wealth will disappear in the final collapse of agriculture!"

Make Use of Vote

To the Editor: Our members in Congress have been spurred by the National Union for Social Justice to a point where they have to come down to business and do real constructive thinking, instead of so much political ballyhoo, to further the interests of their particular party.

If these National Union groups have done nothing more than to show the Congressmen and Senators where their social duty lies, they have justified the formation of these groups. The fact that the voters see the necessity of joining these units to deal with legislators shows how the people of America are beginning to use their heads, and are at the end of their patience with the way things have been conducted by men who are supposed to represent the people, but who prefer to represent the capitalist and the money-changer.

Without Father Coughlin things would be a lot worse than they are. He has been waking up the people to the fact that they can work out their own salvation if they will only use their heads and vote with intelligent independence.

Fancher, N. Y. —Tom De Palma.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Union Wins 12 in Pennsy

Organized Less Than Week, Showing Is Jolt to Politicians

Continued from Page 1

nomination lost by only a few hundred votes. One of the incumbent congressmen was removed from the ticket by a victory margin of only 62 votes. In an ordinary year, unwatched by voters' vigilance, any machine could recount that many ballots in any emergency. However, it would have to be an honestly accurate recount this year.

In Philadelphia, the National Union supported Michael J. Stack, incumbent Democratic Congressman. The Philadelphia Democratic organization—acting on orders from much higher up—turned thumbs down on Stack and threw the full power of machine patronage and prestige against him in an effort to nominate another candidate. It was the most eagerly watched primary contest in the city. Stack, aided by National Union supporters, administered a sound defeat to the organization's candidate.

In all, Father Coughlin and the local units of the National Union gave formal endorsation to Congressional candidates in 24 of Pennsylvania's 34 districts. In a number of districts two candidates were endorsed.

Nominate Ten Congressmen

In ten districts the incumbent Congressman was endorsed and he was renominated. These Congressmen are Michael J. Stack and Michael J. Bradley, Philadelphia Democrats; Henry Ellenbogen and Matthew A. Dunn, Pittsburgh Democrats; Murray Turpin, Luzerne county Republican; James H. Gildea, Democrat of Schuylkill and North Cumberland counties; Benjamin K. Focht, Union county Republican; Harry L. Haines, York Democrat; Joseph Gray, Democrat of the Cambria-Indiana-Jefferson counties district; and Charles N. Crosby, Democrat, of the Erie-Crawford district.

In two counties, the National Union opposed and defeated the incumbents and aided in the nomination of endorsed candidates. The Congressmen defeated were William E. Richardson, Democrat of Berks county, and J. Twing Brooks, of Pittsburgh. In their places were nominated Guy L. Moser and Peter J. De Muth, both with National Union endorsement.

In ten districts, endorsed candidates were defeated for nomination. But in at least three of the districts, all in Philadelphia, these National Union candidates came within a few hundred votes of winning the nomination. (See table on page 9.)

Moritz Target of Defeat

In one Pennsylvania district, the thirty-second, the National Union was handed a sound defeat. That is also a Pittsburgh district. The Union there endorsed Congressman Theodore L. Moritz for Republican renomination but Moritz was defeated by Jacob E. Kalzon, who ran without endorsement. In the remaining district, the 25th Pennsylvania, the result was still in doubt. Congressman George I. Faddis, Democrat, appeared well in the lead for Democratic renomination, but he was not yet assured of victory over the N. U. S. J. candidate, Leo B. Schooner.

In the city of Philadelphia, third largest metropolis in the nation, the National Union decisively proved that it is a political factor to be reckoned with. Its showing of strength, unexpected by either Republican or Democratic organizations, puts the National Union in a particularly strong strategical position.

Philadelphia was for generations the rock-bound stronghold of Republican organization politics—center of the notorious activities of the Vare machine. But since the advent of Roosevelt, Democrats have grown from an infinitesimal group in the party to be seriously considered. Last fall, the Democratic candidate for mayor, although defeated, polled within 25,000 votes of the Republican organization nominee and piled up a larger Democratic vote than the city ever before witnessed—333,008. Meanwhile the state of Pennsylvania in 1934 went Democratic in a state election for the first time in 50 years.

Those factors are making politicians watch Philadelphia and Pennsylvania closely with an eye to the national campaign. Democrats see an opportunity to swing the state into the Democratic presidential column. Republicans are worried lest they will.

BOX SCORE OF VICTORY

Following is the list of Congressional candidates nominated in the Pennsylvania primary elections. Where available early returns are included to indicate the standing of the candidates endorsed by the National Union.

First District (Philadelphia)—Harry C. Ransley, Republican incumbent, 33,597; Leon Sacks, Democrat, 9,160; Louis Manfried, National Union candidate in the Democratic primary, 7,515.

Second District (Philadelphia)—William H. Wilson, Republican incumbent, 20,470; James P. McGranery, Democrat, 8,443; Michael A. Coll, National Union endorsed in Democratic primary, 3,390.

Third District (Philadelphia)—Clare G. Fennerty, Republican incumbent, 35,453; Michael J. Bradley, Democrat, National Union endorsed, 17,148.

Fourth District (Philadelphia)—Boies Penrose, II, Republican, 25,532; J. Burrwood Daly, Democrat incumbent, 10,520; David B. Hughes, National Union endorsed in Democrat primary, 9,291.

Fifth District (Philadelphia)—James J. Connelly, Republican, 18,570; Frank J. G. Dorsey, Democratic incumbent, 14,756.

Sixth District (Philadelphia)—George F. Holmes, Republican, 21,339; Michael J. Stack, Democrat incumbent, National Union endorsed, 18,146; John L. Coyle, backed by Democratic organization in opposition to Stack, 9,782.

Seventh District (Philadelphia)—George P. Darrow, Republican incumbent, 35,268; Harry J. Ritter, Democrat, 9,328; William Goldstein, National Union endorsed in Republican primary, 9,799; E. Allen Doty, National Union endorsed in Democratic primary, 8,726.

Eighth District (Delaware County)—James Wolfenden, Republican incumbent; Howard Kirk, Democrat; Howard L. Russell, National Union, also ran.

Ninth District (Bucks and Lehigh Counties)—Theodore R. Gardner, Republican; Oliver W. Frey, incumbent, Democrat; Charles Walp, National Union endorsed, running in Democrat primary, lost by 8 to 1.

Tenth District—J. Roland Kinzer, incumbent, Republican; H. Clay Burkholder, Democrat.

Eleventh District—John J. Owen, Republican; Patrick J. Boland, incumbent Democrat; James B. Murrin, National Union endorsed, also ran.

Twelfth District—C. Murray Turpin, incumbent, National Union endorsed Republican; J. Harold Flannery, Democrat.

Thirteenth District—J. H. Kirchner, Republican; James H. Gildea, incumbent, National Union endorsed, Democrat.

Fourteenth District—Charles E. Roth, Republican; Raymond S. Hofses, Socialist; Guy L. Moser, National Union endorsed, defeated William E. Richardson, incumbent, for Democratic nomination.

Fifteenth District—A. G. Rutherford, Republican; C. Elmer Dietrich, incumbent, Democrat.

Sixteenth District—Robert F. Rich, incumbent Republican; Paul A. Rothfuss, Democrat.

Seventeenth District—J. William Ditter, incumbent Republican; G. H. Bartholomew, Democrat.

Eighteenth District—Benjamin K. Focht, incumbent, National Union endorsed, Republican; John M. Keichline, Democrat.

Nineteenth District—I. H. Doutrich, incumbent Republican; Guy Swope, Democrat; Hugh R. Miller, National Union endorsed, also ran.

Twentieth District—Benjamin Jarrett, Republican; D. J. Driscoll, incumbent Democrat.

Twenty-First District—William R. Coyle, Republican; Francis E. Walter, incumbent Democrat.

Twenty-Second District—Frank S. Magill, Republican; Harry L. Haines, incumbent, National Union endorsed, Democrat.

Twenty-Third District—B. C. Jones, Republican; Don Gingery, incumbent Democrat.

Twenty-Fourth District—Davis W. Henderson, Republican; J. Buell Snyder, incumbent Democrat.

Twenty-Fifth District—John C. Judson, Republican; Democrat in doubt but George I. Faddis, incumbent, Democrat, leading. Leo B. Schooner, National Union candidate.

Twenty-Sixth District—Orville Brown, Republican; Charles N. Eckert, incumbent Democrat.

Twenty-Seventh District—Walter E. Morris, Republican; Joseph Gray, incumbent, National Union endorsed Democrat.

Twenty-Eighth District—James B. Weaver, Republican; Robert G. Allen, Democrat, defeated Wm. M. Berlin, incumbent; Victor A. Pullman, National Union endorsed, also ran.

Twenty-Ninth District—Will Rose, Republican; Charles Crosby, incumbent, National Union endorsed Democrat.

Thirtieth District—James A. Geltz, Republican; Peter J. Demuth, National Union endorsed, defeated J. T. Brooks, incumbent, for Democratic nomination.

Thirty-First District—James H. McClure, Republican; James L. Quinn, incumbent Democrat; Dr. William Pyle, National Union endorsed, also ran.

Thirty-Second District (Pittsburgh)—Jacob L. Kalzon, defeated Theodore L. Moritz, incumbent and National Union endorsed for Republican nomination; Herman P. Eberhart, Democrat.

Thirty-Third District (Pittsburgh)—Edward O. Tabor, Republican; Henry Ellenbogen, incumbent, National Union endorsed, Democrat.

Thirty-Fourth District (Pittsburgh)—Elmer A. Barchfield, Republican; Matthew A. Dunn, incumbent, National Union endorsed, Democrat.

N.U.S.J. Will Not Back Allen

New Jersey State Supervisor Resigns to Run for Senate

The National Union for Social Justice does not endorse David J. Allen of New Jersey as senator nor does Father Coughlin support him.

Due to the confusion created by the resignation of Mr. Allen as state supervisor for New Jersey, and the immediate announcement of his Republican candidacy for United States senator, a clear cut statement of his status seems to be called for.

As noted in another column, New Jersey endorsations are to be made at district meetings to be held between now and the primary date on May 19. Such endorsations as have been made and approved by the central office will be announced in this and subsequent editions of SOCIAL JUSTICE.

Edward J. Inglesby of Camden, N. J., has been appointed state supervisor for New Jersey.

Industry Meets Strike-Breakers

Continued from Page 5

tions Board and its regional boards. In turn the decision of the National Labor Relations Board should in all cases uphold the now legal right of labor to bargain collectively through representatives of its own choosing.

Gradually the evidence of industry's battle against labor accumulates. The Congressional Record of April 21, 1936, carries the extension on the remarks of the Honorable Rush D. Holt, of West Virginia, in which he refers to the testimony of one Walter R. Thurmond in the District Courts of West Virginia and before a Committee of the United States Senate in 1928.

When the striking miners of that year were carrying on their battle for decent wages and decent living conditions the mine owners paid $61,517 in one year and $46,630 in another year for the employment of deputy sheriffs to patrol the mines.

Senator Holt continues: *"I need not call to the attention of those in Logan county how the Baldwin-Felts thugs were used to beat up the miners who were fighting for their just dues."*

So whether it is the modern factory or whether it is the mine or the oil field the elements of the contests are still the same. On the one hand we find unorganized labor attempting to organize and organized labor attempting to bargain collectively by officers of its own choosing for better wages, better hours and reasonable working conditions. Against these facts battling for human rights are the industrialists of America with their company unions camouflaged as labor unions, with their system of espionage, with their detective agencies, with their Federal Laboratories to make their munitions of war and with their strike-breaking organization the last line of defense in a merciless class warfare.

In the nefarious work of opposing American labor two vital principles of operation are discovered: Industry pays an annual living wage to spies, and bargains collectively with the representatives of labor in hiring strike-breakers.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Widows and Orphans Front for Monopoly

Utility Holding Company Clever in Employment of Advertising Propaganda

New York, N. Y.—(By a staff correspondent of SOCIAL JUSTICE)—An annoying curiosity on the part of stockholders to know about big salaries being paid to high officers of the Consolidated Gas Co. enlivened the annual meeting of that giant company recently.

Three times Floyd L. Carlisle, chairman of the board of directors, is reported to have sought tactfully to steer the tenor of the meeting into other and more pleasant channels and was as repeatedly brought back to the subject of salaries.

Finally Carlisle banged the gavel with the decision: "I'm not accustomed to being hard-boiled at these stockholders' meetings," he asserted, "but there will be no more discussion of personalities!"

They Want to Know

The first of the salary questions was raised by C. G. Townsend, a minority stockholder, attending the annual meeting.

"I want to know," he asked, "who says you shall have $100,000 a year, and who says Cortelyou (George B. Cortelyou, former president) shall have $95,000."

Carlisle smiled and said the law put that question up to the board of trustees. He said that Cortelyou was retired on a pension of $30,000.

Frank W. Smith, president of the company, said he believed "you people who own this company would like to see the men who run your property, your servants, face to face."

He then introduced about 20 executives and said something nice or amusing about each of them, and each took a bow.

"Too Many Executives"

At the close of this introduction, Harvey E. Regan, a road builder, took his pipe out of his mouth, and asked:

"Why should we have a whole flock of presidents and vice presidents? Is it just to pay them a lot of money? Each year we pay out a fortune in salaries. There is no damned reason why we should support in their old age men who have robbed this company for years."

Carlisle banged his gavel.

A gray haired woman in the back row arose to say she though Regan had a lot of courage and that salaries were too high.

An attractive young woman with bobbed hair commented:

"I don't see why," she went on, "men receiving $40,000 to $75,000 a year should not save for their old age. This company has suffered from the policy of not answering questions. Why not put up to the stockholders whether we shall pension men who get a certain amount of money?"

A man shouted, "If you directors don't cut out your propaganda you're going to fill this country with communists."

A motion to require the directors to obtain approval of the stockholders before approving pensions of $25,000 or more was tabled.

Charity Camouflage

In recent issues of the Wall Street Journal and the New York Times, the Electric, Gas and Steam Companies of the Consolidated Gas Company of New York had printed a quarter-page advertisement illustrating the fact that the public was enjoying the lowest rate it ever had.

Along the side of the ad appeared a column entitled: "A Few of Our 'Bosses.'" It reads as follows:

"You—the man or woman using our service—are our first boss.

"AFTER you come more than 100,000 men and women, insurance companies, hospitals, churches, etc., who have bought the stock of this company as an investment.

"Your church, your insurance company, your college, probably owns a few shares.

"Among the 100,000 or more stockholders are 184 colleges, universities, and other educational institutions.

"Also 149 religious bodies and churches of all denominations, as well as missionary boards.

"And also leading hospitals, private relief and social service organizations. Your favorite charity is most likely one of our stockholders.

"As well as 261 insurance companies located here and throughout the world.

"And over 5,500 banks and trust companies hold our securities as fiduciary for trust and other accounts.

"These people have invested with us because they feel sure of the future of any public utility that gives the finest electric service at rates that have steadily grown lower.

"Finally, in addition to these other bosses, we have a duty to more than 40,000 men and women employees who earn their living in this work.

"THINK of these facts when soapbox orators talk about the 'power trust' and imply that only a few rich men are interested in your utilities."

Some Other Bosses

We note that all of the bosses were not listed and to clarifiy the matter, we shall add them.

As a concrete example, let us trace the story of the "United Corporation," an outstanding public utility holding company.

Floyd L. Carlisle (now chairman of the board for Consolidated) built up the Niagara-Hudson Corporation which controls more than 75 per cent of the power in New York state.

He built it by uniting the Schoelkop interests of Buffalo with the Carlisle interests of Northern New York, the Brady interests of Mohawk-Hudson and the Morgan-Brady interests into *Consolidated Gas in New York City*. To all these interests, Carlisle then added the Bonbright and Drexel interests together with the Mellon interests. Finally came the year 1929, when Morgan, Drexel & Company and the Bonbrights organized their United Corporation with the published objective of building *"a strong, equity position in the utilities controlling the Atlantic Seaboard field."* A part of this United Corporation was Niagara-Hudson.

Monopoly Is Born

Here was the birth of a monopoly. The United Corporation had pyramided the light and power assets of the entire Atlantic seaboard. But pause to consider what the United Corporation did to the original Niagara-Hudson public utility.

The physical properties of Niagara-Hudson are reported to have an appraised value of $87-million. We are unable to learn what, if anything, was added to these $87-million of physical properties as a basis for the issuance of 25 million shares of stock valued at $10 a share. Apparently these securities of a corporation of $87-million in physical properties were sold to the people for $250-million at par, the creation of $187-million by a stroke of a pen! After two million of these shares with a par value of $50-million were distributed among the organizers, then the widow and orphan, the endowment fund of the colleges and trust fund of the churches were welcomed into the picture to pay $200-million or more for a portion of the stock. The poor widow and orphan, the unsuspecting colleges and churches were the suckers who bought bloated bonds and stock "as an investment!"

Use Widows and Orphans

The public—widow and orphan—college and church alike—hospital and charitable organization were permitted—yea, the word should be "enticed"—to buy. Whenever the utility ran afoul of Congress—for example, when the Wheeler-Rayburn Bill was before that august body—*"100,000 men and women, insurance companies, hospitals, churches, etc., who have bought the stock of this company as an investment"* (to use their own words) could be solicited to write canned propaganda to their Congressmen and their Senators. Thus behind the skirts of the widow and the tears of the orphan and the social integrity of the church and charitable organization, the utilities could *and do* seek safety from the just retribution of honest government.

Out of the 23 million shares remaining, 10 million of the shares were fed to the dear public for at least $250-million while the holding company retained 13 million shares to control the $87-million worth of physical properties.

Vice of Private Control

In the year 1929, no more than twelve stockholders held control of the properties of this gigantic corporation. Their interest represented a real value of $43-million, a book value of $125-million, and a market value of approximately $312-million. As Barnum once said, "It's easy when you know how, but you gotta know how!"

This definite picture of Niagara-Hudson is used as part and parcel of the greater holding company, the United Corporation, whose open and avowed design was to take a position in the utility industry from Maine to Georgia.

That is why the National Union for Social Justice incorporates as its third principle of belief: "*I believe in nationalizing those public resources which by their very nature are too important to be held in control of private individuals.*"

That is why we gave our unqualified support to the Wheeler-Rayburn Bill because it attempted to give back to the American people some part of a certain form of property too valuable to be left in the hands of the private holding company racketeers.

Utilities Skim the Cream

Rural Electrification Bill Is Modified by House

Private ownership lays great claim to credit by bringing electric light and power to approximately 20 million homes.

Investigation shows these homes are the homes of the urban dwellers of America.

Out of 6,800,000 farms investigated but 800,000 have electric service; the six million still light lamps and carry lanterns—in the world's greatest developed nation.

In 1935 Congress appropriated $100-million for rural electrification. By presidential order a temporary Rural Electrification Administration was created. This board was established to lend to farm co-operatives the $100-million so that they could pay for the extension of the power lines into districts not serviced by the public utilities.

Both Houses Pass Bill

This year both Houses passed Rural Electrification Bills, providing that $50-million be allocated the first year and $40-million be allocated for each of nine successive years for the extension of electrical service to the farms of America.

The $410-million appropriated was to be loaned the farm co-operatives, states, municipalities and local governmental organizations. All loans were limited to non-profit organizations in the Senate Bill. Then the House of Representatives passed its Bill and included the public utilities as participants in the government lending policy. Here the House gave to the very elements in American business that had skimmed the cream of the market the right to borrow government money at 3 per cent interest and upon repayment of the loan the right to hold the property, charging, of course, the consumers as they have always charged the consumers for the investment.

Utilities Warp Advantage

Business has its own lending agency in the United States government. It is the Reconstruction Finance Corporation. Business as represented by the public utilities now goes to the leaders of the House of Representatives with enough strength to build into an agricultural measure the right to borrow money from the federal government to extend power lines into agricultural America.

The utilities unwittingly are losing their strongest argument, for their chief boast has been that private capital extended electrical service to the homes of America. Now unwilling to make the investment in the agricultural market they secure from the House of Representatives the extension of the loans under the Rural Electrification Bill to their own treasuries.

It is, of course, hoped that with the Bill now in conference the will of the Senate may prevail and that rural electrification may pass into the hands of the farmers of the country the property they pay for, rather than under the House version have the farmers pay for the extension of the service and permit the utilities to own it.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PRESS REVIEWS

How the Other Half Lives

Twenty-four states, half the states in the Union, received twice as much in relief money as they paid in taxes in 1935, the United States News discloses. Although they contain 26 per cent of the nation's population these states paid only 6 per cent of the country's tax load.

In other words, these beneficiaries received $310,320,220 in federal relief payments and paid federal taxes of $170,636,788. The rest of the states paying $2,857,418,963 in taxes, received but $1,049,658,246 in relief.

The states in which the relief demand exceeded their revenue contribution are for the most part in the least industrialized areas. The largest block of these states is in the Northwest and on the Pacific Coast. Another group is the central South.

The other 24 states, which contain 74 per cent of the population, paid 94 per cent of the taxes. The explanation is made that most large corporations, such as the big automobile manufacturers, although they transact their business throughout the country, pay taxes only in those states where they have headquarters.

There were 12 states in which the government paid 90 per cent or more of the total relief cost for 1935. Eight of them are states which received more than they paid in taxes. They were Alabama, Georgia, Mississippi, Tennessee, Arkansas, South Carolina, Wyoming and New Mexico.

"The principle that federal funds should be distributed on an inflexible basis has been partially incorporated in the present WPA policy," the U. S. News concludes. "Under it provision is made for federal care of the employables, but responsibility for the unemployables is shifted to the states and local governments."

◆ ◆ ◆

Capital Keeps Tab on Press

Washington, D. C.—Uncle Sam's clipping bureau is busier than ever keeping tab on what the newspapers in cities of 50,000 and over are saying about the New Deal and its works. Four hundred dailies are being read and the clippings sorted by subject matter and distributed each day among cabinet officials and bureau chiefs.

The Division of Press Intelligence, organized in August, 1933, as part of the NRA, is now under the NEC. It employs, at a cost of about $125,000 a year, a staff of 60 to read, clip, index and file the news stories and editorials, and to make special newspaper surveys for the president and cabinet officials. The readers are trained newspaper men and women.

The Press Intelligence Bulletin, which lists each day's stories, goes to 450 government officials.

◆ ◆ ◆

Good Government Depends on Men

"We are in sympathy with any movement to improve the quality of politicians to be elected to township, county, state, and national offices. The ax of the honest citizen's vote must be laid to the root of the tree of corrupt politics. Social Justice will be but a "name writ in water" unless congresses and governing bodies, national, state, and local, are rid of the self-seeking politician, the obedient and truckling servant of organized power, in a word, all those who place partyism above patriotism and servile lickspitting above the common good. Good government requires good men governing. But first good men must be elected to office."

—From Our Sunday Visitor.

◆ ◆ ◆

Tragedy of Age

An example of the treatment given aged workers by some business corporations is furnished in the following news dispatch from St. Louis:

"At an arbitration hearing on a wage and seniority dispute with workers, William H. Woodward, attorney for the Laclede Gas Light Co., declared:

"'If the company is going to be saved, old men who were kept on the payroll during the depression because they couldn't get jobs elsewhere must be discharged. They've been faithful employes for 20 or 30 years, but in the interest of economy and efficient operation they must go.'"

◆ ◆ ◆

Hearst Attacks Give Mae Fame

An editorial in the Extension Magazine for May gives credit to William Randolph Hearst for turning Mae West's last picture from a flop into a box office hit. Seathing editorials in the Hearst papers, denouncing as immoral the newest display of West (also North, South and East) curves, have piqued the curiosity of the more or less indifferent public to such an extent that the producers of "Klondike Annie" are no longer worried about expenses.

"There is no censorship so disastrous to popularity as the box office proof that the public is bored or disgusted."

However, we are convinced that the banishment of Mae West advertising from Hearst newspapers and, paradoxically, the free publicity given her in Hearst editorials were intended more as a punitive measure than an effort to protect the public morals. "Daddy" Hearst was mad, and he didn't give a hoot who knew it.

Praise for Money Book

The editor of the Lititz Express, published in Lancaster county, Pennsylvania, has words of kind praise for Father Coughlin's latest book: "Money: Questions and Answers." He says:

"The book of a thousand questions and answers by the Rev. Charles E. Coughlin, Royal Oak, Michigan, arrived on Saturday. It ought to be used in schools and is an education for all who want to understand the truth about money. No price is mentioned, but a dollar sent for it would be the best investment a voter could make."

◆ ◆ ◆

Newspapers Play Game of Chains

Under the heading "Suckers", William Allen White, editor of the Emporia, Kans., Daily Gazette, comments caustically about business offices of newspapers rushing to the aid of chain stores to help them retain their concealed rebates. Says Editor White:

"In the business offices of American newspapers more suckers thrive than in any other single calling. Whenever the big fellows, patent medicine swindlers, food dopers or cosmetic fakers find their business threatened by a decent law, men from business offices of the newspapers swarm around the law-makers and play the swindler's game.

"Just now the business office suckers are rushing to the aid of chain store managers who are concealing rebates in advertising. These rebates are supposed to be actual payments for advertising from the big food and merchandise makers. But the advertising too often does not get to the newspapers. The chain advertising is too generally absorbed by store managers for displays, store circulars, neon lights and placards and other store equipment.

"Generally speaking, 90 cents of every rebated dollar that the chain store gouges out of the merchandise manufacturers goes to the chain stores. These rebates make the chains unfair competititors of the average independent storekeeper who does not violate the decencies, nor the law by taking rebates.

"While the independent merchant is fighting for his life in Washington before Congress, newspaper publishers are flocking to Washington playing the sucker game of the chain stores, helping them get rebates which in the end cut down newspaper advertising lineage.

"Of all the dumb clucks!"

Please use following coupon in sending subscriptions or orders.

SUBSCRIPTION COUPON

Please fill out and mail at once to

Social Justice Publishing Co., Royal Oak, Michigan.

1—I hereby subscribe to SOCIAL JUSTICE, weekly newspaper of the National Union for Social Justice. Enclosed please find $_____ in payment for my subscription.

or

2—Please send me C. O. D. at 2½ cents each copy_____ copies for bulk distribution.

Please send the paper to the following address:

Name_____

Address_____

City_____, State_____

Date_____, 193____.

Signed_____

Albion Running True to Form

The following cable dispatch is quoted from the New York Herald Tribune of March 18, 1936:

"London, March 17.—Scenes showing British machine gunners mowing down Matabele natives in the film 'Rhodes of Africa' were obligingly deleted today by Gaumont-British Pictures as the result of a suggestion from the foreign office.

"The scenes were not protested on the ground that they were untrue, but that they were 'unfortunate' at this time in view of the Italo-Ethiopian war.

"The foreign office evidently does not want to hear an Italian taunt that the Fascists are only following the example set them by the British to be borne out so graphically by one of their own films."

◆ ◆ ◆

Editor Assails Trick Competition

An editorial attack on "rotten competition" in the Bridgeport Life predicts that "if the depression continues, business will become fouler than a cesspool." It cites the General Motors-Ford feud, saying:

"Six long years of business depression have brought out the worst in cutthroat methods. When the big fellows get so small they have to get an extension ladder to kick a rat in the tail, what may you expect from the struggling smaller fellows?

"The Chevrolet is a product of the General Motors corporation, which is largely dominated by the great duPonts. With their vast wealth the duPonts set out to conquer and control the important industries of America. They have decided to beat Henry Ford even if they have to give away a Chevrolet packed in cellophane with every purchase of a duPont shotgun.

"If the American public still has the power to think, it might ask itself what it will pay for automobiles if the time ever arrives when the duPonts control everything on wheels."

◆ ◆ ◆

Today

"Soviet research scientists now recommend that cod-liver oil be used externally. It's going to be hard to make proper little Red haters out of our youngsters if they find out about that."

◆ ◆ ◆

Frank Knox's "Tolerance"

Resentful of a woman subscriber's letter, which charged that he dare not be "independent" while working for a presidential candidate, Howard Vincent O'Brien, columnist on Col. Frank Knox's Chicago Daily News, wrote an article in which he said his boss "didn't have a Chinaman's chance of being nominated for president."

The incident made excellent press material for the wily rough rider who saw to it that his indulgent tolerance was called to the attention of newspaper readers. A political reporter for many years himself, the jovial reactionary never misses a bet. Does anyone think that Mr. O'Brien's column would have appeared had Knox disapproved its contents?

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Government Should Quit the Cotton Business

Six Million Bales in Control of English Manager Is Constant Threat to Market

By the Farm Editor

BEFORE the Committee of Agriculture and Forestry in the United States Senate there is being conducted an investigation into the activities of the merchandising and marketing of cotton, America's most valuable single agricultural crop.

The marketing and merchandising practices revealed are day by day pointing to the necessity of the proper regulation of the commodity exchange similar to the regulation of the security exchange.

In a maze of technical material offered the committee certain fundamental principles are clearly indicated. The testimony reveals that the solution of the cotton question will never be found within the agricultural program of controlled or regulated production or within the merchandising and marketing operations of the exchange. Nor is a solution to be sought in the foreign trade relationships or world operations of cotton.

As most economic problems, the problem is intimately associated with the monetary system which will so increase the purchasing power of the people of America as to enable them to absorb the abundant production of cotton as they should be able to absorb an abundance of other agricultural and manufactured products.

Consumption Falls

If anyone is desirous of leaving the great field of statistics to the economist and making his own personal check of what is wrong with cotton, let him simply ask the next ten, twenty or a hundred people with whom he converses to answer two simple questions: First, how many bed sheets or pillow cases have been purchased for the individual's home since 1929? Second, how many shirts has the man of the house purchased since 1929?

The answer to these two questions multiplied across this nation constitutes the answer to the business of the retail merchant, the business of the jobbers and wholesalers who supply them, the business of the mills whose spindles are idle, the income of the producer and the low price on the American and world markets of this commodity.

Granted that there is a monetary solution to the cotton problem, yet the question arises whether the government by its present policies is not absolutely destroying any opportunity for cotton to rise in line with other commodity price increases.

In 1933 the federal government established the Commodity Credit Corporation and started its system of advancing loans of ten cents a pound on cotton. They were direct loans from the government itself, and indirect loans by the interior banks of the country, whose paper was in turn discounted by the government. The total loaned in this initial year through the Commodity Credit Corporation was some $102,000,000 with 420,000 participants.

In 1934 the loan basis was increased to 12 cents a pound. It was under the loan policy of the United States government that our government now holds a total of some six million bales of cotton, averaging 500 pounds per bale, or a value of approximately $350-million.

Cut 10½ Million Acres

When the government initiated its program cotton was selling for around 6 cents a pound on the farm. The 1933 program aimed to withdraw ten million acres in land or approximately three million bales. As a result of the program there was actually withdrawn 10,500,000 acres and because of the high yield of that year the Department of Agriculture estimates that 4,500,000 bales which would normally have been raised were withdrawn from production.

A million producers of cotton participated in the 1933 campaign and received in government benefits $112-million.

The 1934 campaign resulted in a million producers contracting to keep fifteen million acres out of production. Fifteen million acres represent approximately 38 per cent of the normal acreage of forty million acres planted to cotton in this country. For the reduction of this acreage in 1934 the total benefit payments amounted to $117-million.

While the administration entered into its gigantic campaign of crop reduction, and refused all suggestions of such monetary reform as would increase the buying power of the consumers of the country, it was steadily accumulating through its loan policy the most tremendous inventory of cotton ever centralized in one ownership in the history of the world. Such ownership carried with it the responsibility for a sales and merchandising policy that would permit the free marketing of cotton.

Powerful Market Factor

Every rational man knows that given even a relatively small supply of the commodity with absolute uncertainty as to what the owner may do with it the machinery to break a market is evident.

When wheat was selling in the early days of the depression at 93 cents a bushel there appeared off the coasts of Europe seven Russian steamers laden with wheat and they cruised along the coast with these seven ship-loads of wheat threatening to dump them at any price in any European market. The result of this inconsequential amount of wheat held as a threat over the world wheat market was responsible for the constant drop from the 93 cents to an all time low of 33 to 37 cents in world markets.

It is not contended that there was only this single threat that drove the price of wheat down. It is contended that part of the devastating price structure of wheat was brought about by the Russian intrusion through which *the threat to sell* became far more potent than a dozen such sales would have been.

The government of the United States sits with six million bales of cotton and it keeps the price most seriously affected because there is not one man in America who can really tell you what the government expects to do with the cotton. Oscar Johnson, who has charge of the destinies of this commodity pool, is convinced that his long experience, his recognized shrewdness and his intimate knowledge of cotton are requisites which should permit him to take advantage of market fluctuations in disposing of the government cotton in amounts and at prices which will ultimately absorb the carrying charges and the loans advanced to the producers.

U. S. Must Quit Holding

In the face of such an attitude the future of cotton prices is dark indeed. There is needed a certainty in place of the obscurity; a policy in place of the discretion; *and there is needed above all the necessity of getting the government out of the cotton business.*

Nothing is so devastating to price as uncertainty and there is nothing so uncertain as is what this administration will do with the surplus cotton.

No one will deny that to dump the cotton at a single moment would cause a panic in prices with the destruction of every equity of producer, mill, jobber, retailer and investor.

Between the holding of the cotton and dumping it upon a bad market there is necessary a rational program of liquidating the government's interests by a hard and fast formula involving the release of a certain definite unvarying quantity each week until the government's stocks are disposed of.

Were the government to pin its faith in a policy rather than in the discretion of a single individual, whose gifts are wholly offset by the uncertainties of how he will act, the cotton price situation would immediately improve.

Liquidation Proposed

If 20,000 bales were to be released each week on a definite unvarying schedule, in less than six years the government would be out of the cotton business. The 20,000 bales would, of course, bring varying prices and no man can predict the precise average over a six-year period the government would receive. It is certain, however, that as long as the six million bales remain as a threat to the market cotton will approach the price of the government loan and then with fear and trembling that the government will liquidate, the price of cotton will recede under the threat of that liquidation.

There is, therefore, proposed by the Honorable Ellison D. Smith, senior Senator from South Carolina, the orderly and gradual liquidation of the government's interest in cotton to the end that the government will get out of the cotton business over a period of years at a definite weekly rate of liquidation.

This bill of Senator Smith's represents almost the single common sense method of procedure in removing the threat to cotton prices.

The present situation is not only untenable in logic, it is intolerable in economics.

English Manager in Control

No one ever questioned the ability, the experience or the equipment of Oscar Johnson, but the plain blunt truth is that this administration has opened itself wide to criticism by placing in charge of the cotton pool a man who is manager of one of the largest plantations in America, which plantation is owned by English capital. The cotton policy and aims of the English are diametrically opposed to the cotton policies and the aims of the Americans. In this country there is universal demand for higher agricultural prices which will permit the farmer to pay his debts on the same basis on which they were contracted.

Cotton was just 15.92 cents a pound in 1920 when agriculture was enjoying its period of highest prosperity. On that basis of 15.92 cents a pound, cotton returned the cost of production to the cotton farmer. It admitted of a decent wage for the cotton cropper. It permitted the payment of debts. It yielded prosperity to the mills, to the jobbers and to the retailers of the country. At 15.92 cents a pound the consumption of cotton was tremendous and this tremendous consumption brought volume which permitted fair consumers' prices.

In 1936 we are deep in the philosophy of scarcity following a year in which we voluntarily withdrew 38 per cent of the cotton crop. We find that the price still hovers around 10 cents a pound. We grant government benefits to men who do not raise cotton and, though the old AAA contract seemingly demanded participation by labor in the benefits, yet the outstanding fact is, of course, that the share croppers were never more destitute than today.

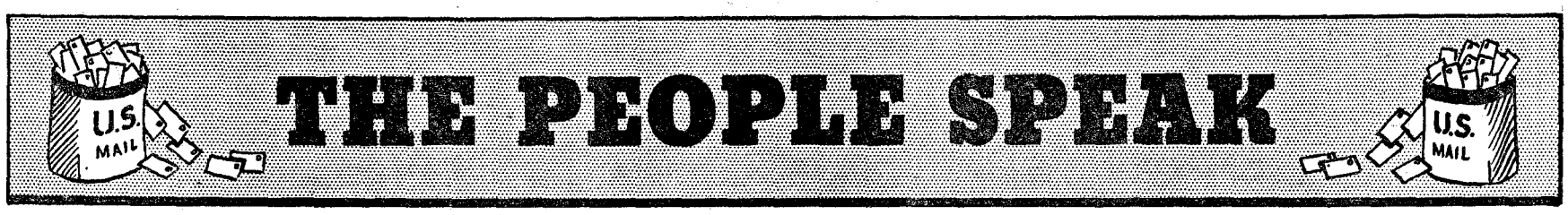
Market Study Needed

Many reforms are needed. Foreign trade should be studied anew from the angle of recent foreign competition. The merchandising or marketing of cotton as well as other commodities needs precisely the study it is receiving now by the Senate of the United States Committee of Agriculture and Forestry with a view of regulating the commodity exchange and legislating out of existence the manifest abuses in marketing.

The monetary problem is the single fundamental and permanent problem affecting cotton as it affects every commodity, security, wage and price in the country. But granted all these things, certain it is that a special influence is acting as a permanent depressive on cotton prices. That influence is represented by Oscar Johnson and his cotton pool sitting high with six million bales of cotton against which the government has loaned money; holding that cotton as a threat over the cotton market and permitting cotton to approach the figure of 12 cents a pound and then recede under the fear that if cotton once breaks through the government will start an unloading process that will immediately drive it below the 12 cents.

There are 1,500,000 cotton planters in America and in 1935 over 1,350,000, or nearly 90 per cent of the planters, voted for the Bankhead plan of cotton control. With the original AAA declared unconstitutional, and the Bankhead Act repealed in view of its unconstitutionality in the light of the AAA decision, the cotton farmers are dependent upon the new and unquestionable AAA with its philosophy of adjustment of production to demand. But no such philosophy as cotton curtailment can ever be successful as long as, we repeat, the government sits on six million bales of cotton with no declared policy as to how it expects to dispose of this cotton and get out of the business permanently.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



An Announcement

This page is yours. As the people speak, their voice will have a hearing in this forum. Anonymous communications cannot be considered. All letters must be signed with the name and address of their writers, as evidence of good faith. However, when so requested, the confidence of writers will be respected and their names not printed with their letter.

Suggests Library File

To the Editor: Inasmuch as your paper is meeting with much approval, as it deserves and as we all expected, may I suggest that someone who wishes to further the good work where it is badly needed, pay for SOCIAL JUSTICE to be sent weekly to specified public libraries or to specified state universities. On receipt of the paper, it could be placed on the newspaper rack, along with the other weeklies and dailies, and when the succeeding issue is received the former could be filed away for later binding. When the full year's issues have been bound, they could be placed ready for constant use.

Cincinnati, Ohio. —**M. G. Mattingly**

◆ ◆ ◆

Praise for Paper

To the Editor: I have just received my fourth copy of SOCIAL JUSTICE. They contain the straightforward facts concerning American liberty and real democracy, as only an unselfish, courageous man, who is not afraid of criticism from opponents can publish. All men, whether friends or enemies, must admire you for this and it is my sincere wish that soon your paper will gain its way into every home in the land, to spread a gospel of truth and understanding.

South Boston, Mass.—**J. A. Brabants**

◆ ◆ ◆

A Call to Action

To the readers of SOCIAL JUSTICE:

Are you on the Honor Roll? Are you one of the first signers of the new Declaration of Independence? In future years, new generations will ask what you did when Democracy was tottering! We all know that Democracy has been wiped out in many lands, and what survives is pretty much of a sham.

Perhaps you are one of those who have complained of the rottenness of political parties, and expressed the wish to join in some patriotic move to preserve our institutions. Were you sincere? If so, you will not quibble about prompt support of the movement that has been given so auspicious a start by patriotic men under the leadership of Father Coughlin.

You know the bloody monster of Communism, and the foul beast of Dictatorship. Would you dare to ask for justice or hope under either?

Mothers, are your children to be thrown to these monsters to devour, or will you strike NOW to save the real America for them? Already we have delayed too long, and we have paid dearly for it.

In her hours of peril, America has always seen some great man raised up to save her. She is the last hope of humanity, and it will be a sad day when Americans hesitate to follow the same kind of leadership that has saved them in the past.

Kenmore, N. Y. —**E. C. C.**

◆ ◆ ◆

Respects Leadership

Dear Father Coughlin: As an agnostic, I respect and admire you most profoundly as the only American teacher of a religious dogma who has the courage and intrepidity to defy this great invisible power of big bankers, their obedient servant legislators from the highest office downwards. Your immortality as a true sincere American citizen will be a foregone conclusion.

I cannot comprehend the previous silence of other teachers and other religious doctrines in this, the most important issue before the nation since the independence of our country. Are they afraid of the bankers' O.G.P.U.?

It is obnoxious to me to hear from the press and perpetuated by some apparently well educated persons the irrational statement: "He is a priest and has no right to meddle in politics." I ask them who else would take his place and ameliorate the condition of the unfortunate masses. Keep going, Father Coughlin.

Millions of fearless Americans who are honest with themselves will not desert you in your supreme effort to establish constitutionally a social and economic justice in this land of material abundance, regardless of the execrated Smith Bill.

Bronx, N. Y. —**Fred Horman**

◆ ◆ ◆

Constitution Assailed

To the Editor: After teaching in Law School for several years, I undertook in 1902 to prepare an extended work on the Constitution of the United States, and for more than 30 years have devoted most of my spare time on this work. For the last ten years, retired due to ill health, I have devoted all of my time.

It is with amazement and horror that daily search and study of the acts of Congress, in particular since March 4, 1933, impress me with despotism, tyranny, violations of the Constitution passed with impunity, and socialistic and communistic legislation promulgated.

If ever a people needed a civic education, it is the people of the United States; and, in this necessary and noble work you are contributing a share never before experienced by any citizen. May God bless you in this noble work; and may the people of the United States appreciate your efforts and support them.

I interviewed in an observation car a prominent member of the American Society of Civil Engineers, a federal official from Washington upon his own demand. He had been in charge of government works in Arkansas, and under his orders men were employed or discharged. The political demands became so outrageous and intolerant that his honor and self-respect would not permit him to remain in the office, and he demanded to be relieved and return to Washington.

Geneva, N. Y. —**George M. B. Hawley**

◆ ◆ ◆

Blasts Money Mystery

To the Editor: A friend asked Confucius: "What causes a depression?" The master said: "When too much money comes into too few hands, there is always a depression." This question was asked almost 2,500 years ago in Shantung, China! The great mystery is: How did this come through the ages, being so simple, with no one caring how "too much money got into too few hands?" Gertrude M. Coogan has made this great mystery fade in her book, "Money Creators." As truth is always simple, this book is truly simple. I believe it to be the most important book printed for the rank and file in the past 100 years. Now everybody can know what sound money is.

Oak Park, Ill. —**G. L. Quick**

◆ ◆ ◆

Not a Religious Movement

To the Editor: It grieves me deeply to read in some letters to SOCIAL JUSTICE such statements as "although not a Catholic" or "although I am a Protestant" and others of like portent, because it proves beyond any doubt the writers are still laboring under a rather wide-spread but utterly mistaken idea that the National Union for Social Justice is a Catholic movement.

As president of a unit, I have made every effort in my power to convince our members that the National Union is neither denominational, sectarian or partisan; that when we join, we leave our religious and political armament outside and enter on a perfect footing of equality as American citizens.

I sincerely wish all who write to SOCIAL JUSTICE or discourse in any way on the Union and its activities would forget their religious affiliations, remembering only that they are independent American citizens whose views on political or economic questions will always receive open-minded, courteous attention, whether expounded through the columns of SOCIAL JUSTICE or at the meetings of their respective units, irrespective of race, creed or color.

Philadelphia, Pa. —**F. B. Amsel**

◆ ◆ ◆

"It Opens Our Eyes"

To the Editor: I have just finished reading every word in five issues of your paper, SOCIAL JUSTICE, from March 13th to April 10th inclusive. Each issue is an improvement on the previous one. So long sorely needed, to inform the people of what is going on behind the scenes, it opens our eyes to the strings being pulled by the "big-shot" politicians, the international bankers and the banker-controlled industrialists for their own selfish interests. Is it any wonder that we have jobless millions, low wages or no wages at all, and the cost of living has gone up beyond all reasonable bounds?

—**James F. Fitzpatrick**

Bridgeport, Conn.

◆ ◆ ◆

Criticism in Tell City

To the Editor: The following item is taken from the editorial page of the Tell City News of April 10, 1936:

> "A once famous radio priest made himself famous at the expense of small sums of money gathered from the poor to whom he preaches class hatred. But his star appears to be waning. At last accounts he was some thousands of dollars in debt to the radio people. The flow of nickels, dimes and quarters has run short."

Members of the National Union for Social Justice and others are cheerfully sending their nickels, dimes and quarters to the famous priest to help defray the expense of enlightening the people as to the facts. They are well aware that the wealthy will not do it.

The article quoted is one of those cute slick ways of trying to discourage the donors of nickels, dimes and quarters, in the hope of forcing the famous radio priest to suspend his weekly lectures so that the profiteers can continue their practice of taking, not only the nickels, dimes and quarters, but also dollars, hundreds and thousands of dollars, from the common and poor people, through unjust laws, rulings and practices.

Tell City, Indiana. —**Louis C. Lasher**

◆ ◆ ◆

Would Investigate Congress

To the Editor: It will be a matter of general interest that Congressman Bell's move for an investigation of the Townsend Plan was made immediately after that organization had placed a candidate against him in the November election. It has developed into an inquisition, rather than an investigation.

If such investigations are permissible under the Constitution, we suggest investigation of the violation by the entire Congressional membership of articles 5 and 6 of Section 8 of the Constitution, which directs that body "to coin money and regulate the value thereof" with no provision that this function may be farmed out to private individuals or corporations.

On request, the national treasury prints and delivers to the banks blank bank-notes—fac similes of bonafide United States money of no more value than the paper and engraving for which the government pays. On delivery, these bank-notes are signed by bank officials and put in circulation as valid currency. It remains a question whether such issues are counterfeit and spurious. At present the money changers hold $20-million of United States bonds, presumably taken in exchange for the fountain pen money costing them not a single penny.

It seems entirely impossible that Congressional members are not aware of this flagrant violation, as Father Coughlin has informed them and the entire nation of that condition every Sunday afternoon for the last eight years.

Kansas City, Kansas. —**S. E. Huston**

◆ ◆ ◆

People Know Facts Now

To the Editor: I wonder if the vast audience that listens to Father Coughlin's Sunday addresses ever pauses to consider the colossal task that this man, unaided, is really accomplishing.

To undertake the education of a few thousand individuals would be a remarkable task, but to set out to give an up-to-date course in social, financial and political science to a nation of 125 million inhabitants (not to mention those of other countries who "listen in") is one of the most astounding feats ever attempted by any person. It stands unparalleled in history.

Through his efforts, the man in overalls today possesses more real knowledge about economics, money and politics than did the college man of just a few years ago, or even the average college youth of today. Because of this universal education, politicians, economists, financial writers, editors and columnists have been "put on the spot."

The politician, with his bag of tricks and familiar rantings, produces no enthusiasm. He is asked to explain things he does not know how to explain. He flusters and blusters. He stands unmasked in his ignorance.

The economist finds his knowledge founded on fabrications. The financial writer finds that ambiguous statements and figure jugglery that passed for knowledge a few years back is laughed at and condemned today. The editor and columnist find their compositions assailed on every hand by intelligent readers who demand facts, not "paid-for articles" or personal beliefs and prejudices.

When Father Coughlin started, he found a people weak and inarticulate, devoid of knowledge and solidarity. In a few years he has turned these millions of citizens from a state of ignorance to one of knowledge, from a weak divided mass to one of unity and power. If this man is a demagogue, God grant us more of his kind. His followers are pleased to call him their Leader.

Nahant, Mass. —**Peter MacLardie**

◆ ◆ ◆

Plea for Independence

To the Editor: I have just read your April 17th issue, and particularly does the cartoon, "Garroted by the Chain Gang," appearing on page 9, appeal to me, and indeed no less should it appeal to thousands who are most unquestionably placed in the position that the independent merchant in the cartoon finds himself.

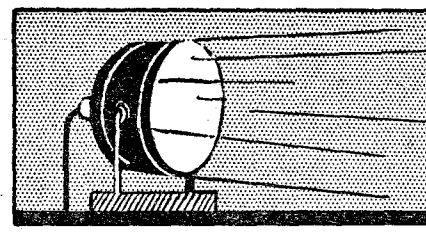
For years I have crusaded in the interest of independent enterprise and individual industry. By this I mean the small independent merchant, who for years has been a part of the foundation so welded together by independent merchants, forming the foundation of boroughs, towns, and cities.

Concentration of industry in the hands of a few automatically centralizes the government of such industry. This produces a combination which is responsible for the concentration of national wealth in the hands of the same few.

Can we expect some one else to take more interest in our welfare than we are willing to take? The day has arrived when we, in our despair, must no longer take the reluctant attitude of "Let George do it." Delayed action might prove futile.

Avoca, Penna. —**Arnold W. Craft**

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



SEARCHLIGHT on the

Loyal Defender of American Principles Sees Importance of Constitutional Money

Farmer, to Whom America is Land of Adoption, Realizes What Is at Stake

MR. HENRY MORTENSEN of Cordova, Nebraska, who, a lone boy, reached America in 1881 at the age of 16, has revealed what American ideals and coming to America have meant in his life. In no unmistaken language, he emphatically asserts that the establishment of an honest money system is the only hope of preserving the ideals of the American people.

Mr. Mortensen states: "I am very happy to see that straightforward explanations of money, its nature and functions, are being made available, and I sincerely hope that the American people can be awakened to the overhanging danger. In my opinion, if destruction is not arrested, American ideals will be obliterated and the country driven into a controlled Communistic state, wherein disobedience will mean exile or death—God forbid that such should ever happen."

Example for Americans

Gather together, you patriotic Americans. Read and rejoice that we have such men in our midst; read to your children that they may learn of the bone and sinew of our America!

This loyal citizen, who was born in a foreign country, but who from a distance recognized the value of American ideals and now realizes what their obliteration will mean, has much to teach native born Americans. We quote Mr. Mortensen:

"Yes, Americans, the term 'melting pot' is quite appropriate. It was in February, 1881, at the age of 16, when I left my home and came to America to escape wearing a fine suit with brass buttons and perhaps a shiny helmet a couple of years hence. My folks at first remonstrated and said it would never do—'not a relative there; in a strange land, a strange language and only a child.'

"But through the mist I had caught glimpses of America's Constitution and felt it was reasonably safe. Having my father's sanction to the determination not to become a soldier under the system there, and realizing it was only a matter of a short time when to flee would become a dangerous and difficult proposition, my parents consented. Besides some little pocket money, my mother sewed four American $20 gold pieces in a cloth belt so that in case I found this country as uncivilized as often pictured I could return.

Lone Youth in Chicago

"I landed in Chicago at night; it was cold, about six inches of snow on the ground and storming. My wooden box stood on end at the far end of a wide plank platform. People hurried into busses. I didn't know just where to go. Then a man came and said 'Hotel'. I caught his sleeve and showed him the trunk, which we finally rolled onto his buckboard—a thing that to me looked like a spinning wheel more than a wagon. He drove fast over the rough frozen streets and I expected it to go to splinters at any moment, but soon saw it was made of good stuff.

"Well, times in Chicago were very dull, so I bought a ticket to a place one hundred miles out in Illinois and got a job next day—hard work, but I was healthy and strong for a boy, and got along well with this good American family.

"When the fall work was done, my farmer employer told me to stay all winter, help with the chores, and go to school, which I gladly accepted. I could understand plain everyday talk and at school quickly improved. I was studying Abraham Lincoln's life history and was greatly interested in it, in fact, thought it wonderful.

Saw Glories of Our Government

"Here was a people's chosen executive with power equal to a monarch. He had no gold fringes, no medal-covered chest, no arrogance; but was a kindly, highly endowed human being.

"When I grasped the full meaning of his matchless Proclamation it seemed to me as if America's whole good soul shone through him, and two great big hot tears found their way down my cheeks and fell on the desk. An indescribable joy and thankfulness that there was yet on earth a government founded on justice and human equality came over me, and two souls, so to speak, now melted into one.

"I hope that very many once aliens have had similar experience. I have enjoyed the blessings that flow from a good government, bought and dearly paid for by your heroic forefathers. Glory be to them, for they builded a broad solid foundation and erected thereon a structure such as the world had never seen, nor yet, until this day, duplicated.

"Let no rodent, regardless of color or creed, undermine it. Let no alien, through perjury, participate in the shelter of the emblem of justice. If the greenish brown in him can't be bleached out so that he in truth can subscribe with words, "My Country 'Tis of Thee", then better let him close the door as he goes out."

Works to Save America

Mr. Henry Mortensen, a farmer, living near Cordova, Nebr., understands what is at stake, and is today untiring in his efforts to help inform his fellow man. This, in spite of the fact that after a long life of hard work he lost practically all of his savings in the agricultural collapse from 1920 down to date.

He realizes that the destruction of agriculture has not been because the farmer has failed, but because those who had power to manipulate the Central Banks deliberately collapsed the money structure so that farm prices fell to a point below the cost of production. He realizes that while that situation prevailed year after year, a deliberate program was carried on to try to convince the American farmer that our system of government was wrong. However, this gentleman knew that the system of government was not wrong for he had experienced a government wherein dictatorial power was exercised.

His plea to fellow farmers and other Americans in all walks of life is to understand our unconstitutional money mechanism and correct its fundamental fallacies. Only thus, says Mr. Mortensen, will we be able to preserve and perpetuate the ideals which inspired those who founded what should always have remained the "Land of the Free and the Home of the Brave."

Who Knows His Own Power

Henry Mortensen's story is a part of his life; it guides because it denotes a healthy mind in a healthy body; it encourages because he has not permitted adversity to blur, but to clarify his vision of the ideal.

There being nothing as effectually exemplary as personal experiences, whether as warning or for emulation, the Readers Digest for March has invited short, concise stories of occurrences from life, of which, it concludes, there must be a vast number that have never seen the light of day.

A lady came up from the Ozarks. She had contemplated suicide, but had not the courage to carry it out, and came to Chicago to talk it over with a congenial soul. She went home, mentally relieved, to battle with life anew.

How many readers, when informed of the possibilities of an honest money system, would not take courage to preserve what they still possess and help others recuperate their losses? And do not let us forget that we can accomplish much more for others than we can ever do for ourselves.

As for the threadbare question: "What can *one* person do?" the only answer is: "Try it."

There is no one just like you, and no one knows what is in you, not even yourself—until you have tried. The lives of all *genuine* persons prove this. Try it!

Bankers Association Rushes to Defense

Continued from page 15

whomever has the necessary money. The Central Banks, called the Federal Reserve Banks, are also stock corporations; the stock being owned by the local banks. Each local bank must purchase capital stock in the Central Bank to the amount of 6 per cent of its (the local bank) total capital and surplus. All of the profits of a local bank accrue to the owners of the stock. All of the profits of the Central Bank today also accrue to the owners of the stock.

It is true that banks are chartered. In the case of a State bank, the state grants the charter. In the case of a National bank, which bank must be a member of the Federal Reserve System, the federal *government* grants the charter. But the charter gives the bank the illicit franchise to originate and lend into existence credit money.

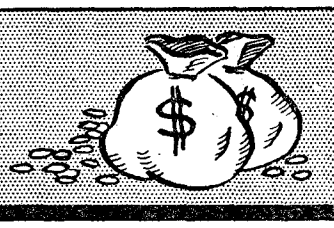
Realization of the fact that the nation has been allowing these private banking groups to create the nation's money, is becoming widespread. There is also dawning upon the citizens of this country the realization that it is absurd for the Government to allow private groups to create money. It has only been because of the usurpation of the governmental power to create money that the banks were ever allowed to be in the business of creating our medium of exchange. Even our present Governor of the Federal Reserve Board admits that the power to create money is the sovereign power. His words are:

"The government is a sovereign power, and it has the power to create such money as the Congress appropriates. There is no question about that. It does not have to depend upon the banking system, as I have stated upon several occasions, to provide credit for it."

Mr. Fleming, SOCIAL JUSTICE *invites you to defend your false statements on a public platform. You may name the time and place.*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MONEY CHANGERS



Bankers Association Rushes to Defense

Robert V. Fleming, President of American Bankers Association, Broadcasts in Defense of Unconstitutional Money System

ON APRIL 22, 1936, over a nationwide network of the Columbia Broadcasting System, Mr. Robert V. Fleming, president of the American Bankers Association, indicated that for the first time in more than a generation the banking associations were being forced to go to the public in their own defense. Mr. Fleming states:

> "One of the major functions of our association is education, in fact, the American Institute of Banking section of the American Bankers Association, is one of the largest institutions in the entire field of adult education. It has been in existence for over one-third of a century and has the sympathetic support of bankers everywhere. . . . We have sought to clear up whatever of mystery surrounds banking in the public mind."

There surely has been either one of two things wrong with the educational program carried out by the American Institute of Banking—

(1) Either they did not want the public to understand what they are supposedly educating them on, or

(2) Those directing the educational program of which they boast have not themselves understood the nature and function of our present banking system.

If the statements contained in Mr. Fleming's radio broadcast are a sample of the entire educational program, it is no wonder that the public is mystified, as they admit, and that the bankers have "gotten away" thus far with a system that is unscientific, unconstitutional, and a blot upon civilization.

Misstates Customer Relationship

We quote Mr. Fleming: "*Of all kinds of business enterprise in which men engage, banking must be practiced with the greatest care, because the banker is the custodian of the funds of others.*"

This is not a true statement. Present-day bankers do NOT act as custodians unless they are the legal managers of trust funds and thereby are in the capacity of trustees. This statement is made to lead the ordinary individual to believe that when he makes a deposit in a bank, the banker is the legal custodian of that fund and that the depositor at no time loses title to his money. This, as Mr. Fleming should know, is not true.

There have been many court decisions regarding the customer relationship in banking. In 1923 the Missouri Appellate Court rendered the following decision. This decision was upheld by many State Supreme Courts:

> "When a deposit is made in a bank the funds deposited become the funds of the bank, the deposit becoming an ordinary indebtedness and not a trust fund for its depositor.
>
> "On receipt of deposit, it becomes property of bank, and bank becomes depositor's debtor, and depositor's allegation that bank diverted and converted deposit to own use did not state cause of action, since bank could not divert and convert its own property." (S. R. & P. Import Co. vs. American Union Bank, 204 N. Y. Sup. 1924.)
>
> "A general bank deposit creates a debtor and creditor relation authorizing the bank to mix the deposit with its funds and use it in its business." (Polk vs. Garrison, 258 S. W. Rep. 631, Arkansas Sup. 1924.)

Millions of legitimate depositors learned this fact very much to their sorrow during the last fifteen years when there were 16,000 banks closed. They certainly discovered that their funds were used and mixed with bank funds and were not segregated deposits entitling them to be in any other than the position of a general creditor.

Says Banks Don't Coin Money

We quote Mr. Fleming: "There are several mistaken ideas about the structure of our banking system and its services which I wish to call to your attention. Banks do not coin money. The money of the nation is coined by the federal government by virtue of the power given to Congress under the Constitution. Neither do banks issue currency. Nor do banks create credit; it is true that banks extend or grant credit, but credit is initiated with business transactions predicated on confidence between buyer and seller, or between producer and consumer, and the banker in extending credit only plays a secondary part in the creation of credit. . . . Through their services to business, chartered banks enable men to carry out transactions in the field of credit, but credit itself originates in business and not in banks."

Your statement that banks do not coin money, Mr. Fleming, contains flagrant deception. When the word coin is used in the sense of placing a seal or imprint upon a piece of metal, it is true banks do not do that. If we carry your statement to its logical conclusion and keep referring strictly to metal, then the United States does not have any money today excepting the token money consisting of 1c, 5c, 10c, 25c and 50c pieces and some silver dollars. All of the gold has been melted into bars and no longer bears the seal or stamp of the United States government. Consequently, it is not coin.

Token Money Negligible

You know that the token money which is actually stamped by the government constitutes a very trivial amount. The only reason the bankers have permitted the government to stamp the token money is that their fraud would be obvious if this widely used metal money bore the stamp of private corporations. The amount of business transacted with token money is negligible.

Modern business is transacted through the use of bank checks. Bank checks transfer credit money, sometimes called money of account, which is today solely originated by the private banks of this country. More than 95 per cent of modern business is conducted via the use of credit money.

You say: "Banks do not create credit but they merely extend or grant credit."

You are here misusing the word "credit". If A buys a suit of clothes and the merchant surrenders the suit for nothing more than A's promise that he will pay the merchant money for the suit within a specified time, say 30 days, that is an example of granting credit. In that case, the merchant has given up real wealth and has obtained nothing but the promise of the buyer to pay money at a future date.

This is not the nature of the transactions which banks carry on. Banks lend what the people use for money. If A owns title to some wealth he may go to the banker and ask to borrow money. If the banker agrees to lend A money, he takes possession of a document giving him legal title to A's wealth and then proceeds to lend what is commonly called Credit Money. This credit money is actually originated by the banker and consists of nothing more than bookkeeping entries against which A, the borrower, is allowed to write checks. The banker does not lend A actual money which other depositors have brought to the bank.

Mr. Fleming if, as you say, "credit itself originates in business and not in banks", why does the business man have to go to the banker to get credit, and why does he have to pay interest to the banker? In reality, what the business man gets is what the people use for money.

Banker Admits Creation

Supporting evidence that all but a small part of the money in use by the people of the United States is in the form of bank credit, and that such bank credit—which performs the functions of money—is originated by the banks themselves, is given in the following statement made by the present governor of the Federal Reserve Board:

"Money is created in our present system by banks loaning to corporations, to individuals, and to the government. During the past two years there has been no increase in the supply of money as the result of the banks lending to individuals or to corporations. . . . The credits which the banks have extended to others than the government are less now by several hundred millions than they were right after the bank holiday. . . .

"When I say credit . . . I mean money, because by far the largest part of money in use by the people of this country is in the form of bank credit, or bank deposits. . . .

"In purchasing offerings of government bonds, the banking system as a whole creates new money, or bank deposits. When the banks buy a billion dollars of government bonds as they are offered—and you have to consider the banking system as a whole, as a unit—the banks credit the deposit account of the Treasury with a billion dollars. They debit their government bond account a billion dollars, or they actually create, by a bookkeeping entry, a billion dollars." (Testimony of the Governor of the Federal Reserve Board in Hearings on the Banking Act of 1935.)

Attempts to Deny System

Quoting Mr. Fleming: "Very often you hear our banking system referred to as a private banking system, the assumption being that the banks are run by a few individuals for their own profit and in the interest of their friends. We do not have a private banking system in America. We have a system of chartered banks, and there is a vast difference between a private bank and a chartered bank. A charter represents a delegation of authority by the state or nation to a group of individuals to conduct an institution under governmental supervision as a service to the public. Many persons do not realize that every chartered bank in America must be willing at any time to submit to a searching examination by governmental authorities representing the people. No other kind of business enterprise is surrounded with as much law and regulation as banking."

All local banks, commonly called Member Banks, are owned by private individuals. They are stock corporations, and the capital stock and surplus can be bought by

(Turn to page 14)

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Father Coughlin's WEEKLY LETTER

SOLIDARITY AND SOCIAL JUSTICE

THE PURPOSE of the National Union for Social Justice in its organization is to solidify agriculture and labor, small business and small industry and every other minority unit in American life.

When social justice legislation is advantageous for the farmer—as in the case of the throttled Frazier-Lemke farm mortgage refinancing bill—we propose to throw the entire strength of the members of the National Union, composed of the laborer, the soldier, the industrialist, the merchant, back of the farmer's project.

When the laborer, single-handedly, is campaigning for a just and living annual wage, the purpose of our organization, independent of party politics, is to throw the amalgamated forces of the other worthy minorities back of the laborer in his fight for social justice.

It is one for all and all for one.

It is a policy which believes that in union there is strength.

The National Union subscribes to the theory that there is no prosperity for any one class unless there is prosperity for all classes. ***"Together we stand, divided we fall."*** It is the Christian doctrine applied to economics that we should do unto our brother as we would have him do unto us.

Specifically, we have watched the struggle of a multitude of individual minorities, disunited organizations, as each has sought to realize its interpretation of social justice. For 30 years the laboring man has endeavored to obtain a just and living wage, and for 30 years he has failed.

For a similar length of time we have studied the activities of the farm organizations, each one in its own way endeavoring to work out its problems of securing a price for its products which would cover the cost of production, plus a fair profit. Likewise has the agricultural class struggled in vain.

We have seen one small industry after another blotted out by unfair competition which resulted from the monopolistic activities of big industry.

Since the birth of the chain store and mail order house, it has been observed that one after another of the small business men have been crushed and obliterated.

The professional men of some states, especially the physicians and surgeons, have hanging over their heads a threat of communistic control.

The youth of America, despoiled of their ideals and bereft of their ambition, are confronted with the injustices of the present economic order—do you blame them as they are lured too often by the false enticements of Communism, knowing not where to turn?

There is hardly a state in America that does not present a sorry sight of disorganization. It is a disorganization that has been perpetuated by those who have organized against the laborer and the farmer, the small merchant, the small manufacturer and those who are directly associated with them.

The National Union for Social Justice, therefore, in this phase of its activities is endeavoring to change worthy minorities into a majority. We are determined to unite the disunited, to organize the disorganized, to amalgamate the broken parts of our social structure.

Hitherto we have been spending our efforts to no avail. Hitherto the feeble hand of the farmer endeavored to lift the spear point of social justice against the solid breastplate of concentrated wealth only in vain. Hitherto the laborer, left alone by himself, has waged a futile battle in his fight for the rights of a just and living annual wage. We have been cursed with a disunited individualism.

Therefore we invite the laborer and the farmer, the small business man and the small merchant, the disorganized of every class, each to grasp the spear shaft of union, the shaft of solidarity, and with perfectly timed thrusts, with amalgamated strength, to push that spear point through the breastplate of our common ills into the very heart of the concentration of wealth!

Together we can succeed. The National Union is a union for organizations, as well as individuals, a consolidation of forces, an amalgamation of scattered strength.

Henceforth, I appeal to you farmers of America, that you will support no congressional candidate who does not advocate a just, living, annual wage for the industrial laborer.

Henceforth, the laborer will demand that his pussyfooting congressman support a policy of production at a profit for the farmer.

United we stand, divided we fall!

While we advocate a philosophy of "get-togetherness" on the part of the laborer, the farmer, the soldier, the merchant, and every other worthy minority, let it be kept clear that the National Union for Social Justice desires not to disrupt the labor unions or the farm organizations. On the contrary, the National Union advocates that every laborer, if he is true to the principles of Americanism, will join some labor union, which is free, on the one hand, from the dictatorial powers of the capitalists and, on the other, from the subversive elements of the communists.

The National Union for Social Justice has been likened to the hub of a wheel. Its spokes are the American Federation of Labor, the brotherhoods, the Farmers' Union, the Farmers' Holiday association, the Grange, the organizations of merchants, of professional men, of youth movements, of housewives, all of whom are united by the rim of the sixteen basic points of social justice.

Solidarity is our watchword.

Alone, no minority can ever win. Together, we cannot lose!

Charles E. Coughlin

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED